

APR 26 1993

MONDAY SPORTS BASEBALL Page 19

INTERNATIONAL Herald Tribune

Table with exchange rates for various currencies including U.S. Dollar, British Pound, and others.

Published With The New York Times and The Washington Post LONDON, MONDAY, APRIL 26, 1993 ESTABLISHED 1887

In Belgrade, Gas Shortages and Spilled Caviar

By John Darnton New York Times Service BELGRADE — In the basement restaurant of the Writers Club, a late-night den of smoke and drink and heated talk among Belgrade intellectuals, it was obvious just looking at the waiter's face that something had gone terribly wrong.

these days. If suffering is relative, certainly the low end of the scale is in Belgrade, the capital. Despite a full year of international sanctions imposed by the United Nations, almost anything can be had for the right price.

The raging war in Bosnia-Herzegovina, between Bosnian Serbs beholden to Belgrade and Muslims, who are also being wiped out by Croats, is only 160 kilometers away. But with lovers strolling past blazing forsythia blossoms in the parks and teenagers horsing around at the outdoor cafes along Knez Mihailova, it feels as though the war were on the other side of the globe.

If tighter sanctions go into effect, as scheduled for Monday, the deadline given to the Bosnian Serbs to sign the United Nations peace plan, the embargo will really take hold, many here believe. That is because a new provision would not allow any goods to be shipped across Yugoslavia to another country.

Yeltsin Appears To Win a Strong Vote of Confidence

Referendum Polls Show Russians Backing President on All 4 Issues

By Michael Dobbs Washington Post Service MOSCOW — President Boris N. Yeltsin appeared to have won a strong vote of confidence on Sunday from the Russian people in a nationwide referendum that he hopes will allow him to settle a debilitating power struggle with parliament and push ahead with the transition to a free-market economy.

through his version of a new constitution to replace the much-amended holdover from the Soviet era. Under present constitutional arrangements, the congress has the final say on any amendments to the constitution or changes in the political system.

An exit poll for The Washington Post and several other U.S. news organizations reported that a majority of Russian voters were backing Mr. Yeltsin on all four questions in the referendum, which included a vote on approval for his economic reforms. Voters also appeared to have called for fresh elections to parliament by an overwhelming margin.

Exit polls and early results suggested an across-the-board victory for Mr. Yeltsin on all four questions of the referendum. A majority of voters even appears to have answered "yes" to the second question — "Do you approve the government's socio-economic policies?" — which was inserted by the congress as a way of diluting an expected vote of confidence for Mr. Yeltsin personally.

Karadzic Puts Peace Plan To Assembly With Caution

Compiled by Our Staff From Dispatches BIJELINA, Bosnia — The leader of Bosnian Serbs, Radovan Karadzic, told his self-proclaimed parliament on Sunday that it had a choice between defying the United Nations and continuing civil war in Bosnia-Herzegovina or accepting Serbian goals indirectly.



An elderly Moscow resident marking his referendum ballot near a window in a polling station at a military school in the capital.

Spillover from Bosnia could ignite a wider Balkan war, U.S. warns, Page 2.

Imposition of tough new UN sanctions on the rump state of Yugoslavia at 0400 GMT on Monday.

The new sanctions were to be imposed if Bosnia Serbs did not sign a peace plan. Legislators listened in silence as Mr. Karadzic warned them that they had to make a historic decision and that there was a majority in the West in favor of military intervention against Serbs in Bosnia.

"If we do not accept the plan, we must be ready for the people to eat little," Mr. Karadzic said. "I want you to have all the facts. You can decide whether we fight on or whether we realize our goals by other means in two years or some other time in the future."

Mr. Karadzic was grim as he arrived in the northeastern Bosnian town of Bijelina to report to the Bosnian Serb assembly on the talks in Belgrade with Lord Owen.

"If World War III erupts," he said, "it will be because of the Vance-Owen plan."

Mr. Karadzic said Lord Owen had offered no major concessions beyond ones he already rejected Saturday: UN-policed safe corridors through designated Bosnian-Croatian territory to Serbia.

"We want compact territories and not some corridors," said the speaker of the Bosnian Serb assembly, Momcilo Krajisnik, who had accompanied Mr. Karadzic for the talks.

Earlier, European Community foreign ministers agreed at a meeting in Denmark on measures to ensure that the new UN sanctions against Serbia bite enough to force an end to the killing, but they expressed serious doubts about backing the sanctions with military force.

The EC ministers agreed that "all measures must be taken to make the UN sanctions" as effective as possible, said the Danish foreign minister, Niels Helveg Petersen, after two days of talks with his 11 EC colleagues.

Lord Owen met in Belgrade with President Slobodan Milosevic of Serbia, President Momir Bulatovic of Montenegro and President Dobrica Cosic of the rump state of Yugoslavia. Mr. See BOSNIA, Page 2

London Works to Ease Bomb Disruption

By Richard W. Stevenson New York Times Service LONDON — Despite extensive damage to a number of buildings from Saturday's bomb blast, London's financial district should be operating nearly normally Monday, officials said Sunday.

Street and in the other New Scotland Yard — but then fled long before reaching their destinations, leaving their bombs in the cars, the police said.

The IRA said the British government had failed to act quickly enough on warnings. "Responsibility for the injuries caused rests squarely with the British authorities," the IRA said.

The Irish Republican Army said early Sunday that it had planted the bomb, which killed one person, injured 44 and did hundreds of millions of dollars in damage when it went off in the heart of the City, as the financial district is known, on Saturday morning.

"British police were aware of our coded warnings 70 minutes before the explosion occurred and had positively located the bomb a full 20 minutes before it detonated," it added.

The blast in the financial district was the most powerful terrorist attack on London in a year, and the police continued a painstaking search for clues Sunday among the debris as officials scrambled to help banks, brokerage houses and other companies minimize any impact.

The IRA, however, made no mention in its statement of two smaller blasts that occurred in London late Saturday night, destroying two taxis but causing no injuries.

Because it was a weekend morning, only a handful of office workers and building security personnel were in the City. The area is also well-traveled by tourists and tour buses, attracted by its narrow streets and many old churches.

The separate incidents occurred when men tried to force the cab drivers to take them to their targets — in one case Prime Minister John Major's residence at Number 10 Downing

Street and in the other New Scotland Yard — but then fled long before reaching their destinations, leaving their bombs in the cars, the police said.

The IRA said the British government had failed to act quickly enough on warnings. "Responsibility for the injuries caused rests squarely with the British authorities," the IRA said.

"The terrorists have ripped the heart out of the City of London, putting at risk lives, livelihoods and indeed the position of the City of London as the world's premier financial center," Mr. Mellor, who resigned from the cabinet last year after a sex scandal, told the Press Association, a British news agency.

U.S. Asylum Mill Has Far Too Much Grist

By Tim Weiner New York Times Service NEW YORK — Barely two years after it was altered to abolish harsh and arbitrary procedures, the U.S. system of political asylum cannot cope with the growing crowds of people at the nation's gates, immigration officials say.

a hearing in the foreseeable future and thus no resolution of their cases. "Our twin goals are compassion and control," said Gregg A. Beyer, director of asylum at the Immigration and Naturalization Service.

gin hearings this week on proposals to put thousands of arriving asylum-seekers on the next flight out.

Nationwide, more than 250,000 foreigners are waiting to see one of only 150 asylum officers. Some have been waiting for years.

"Our national philosophy is to accept people fleeing persecution," said Verne Jervis, an immigration agency spokesman. "We don't want to turn them away. There are good people who deserve asylum, no question about it. But it's so easy to defeat the system, a 10-year-old could do it. There are bad people who show up and say, 'I'll be killed if you send me back.' And we have no choice but to admit them."

This policy of manipulating expectations — a bit of deception here, creating anticipations there and an occasional big surprise like last week's cut in the discount rate — is aimed at keeping market participants constantly wrong-footed, says Andres Drobny of Credit Suisse First Boston in London.

All say they fear persecution at home, and immigration officials estimate that tens of thousands really are running for their lives. Under the law, most are allowed to enter immediately, physically on free soil but legally in limbo.

Congress, after learning that a major suspect in the World Trade Center bombing entered the United States by pleading for asylum, will be

As an example, he cites the performance of the three-month Euro-mark contract last week. The June contract was trading last month at a level putting short-term interest rates at 6.8

Bundesbank Brings Calm By Confusing the Market

By Carl Gewirtz International Herald Tribune PARIS — The Bundesbank created an uproar last week with its slow distribution of multiple press releases leading journalists — and market participants — to believe erroneously that interest rates had not been cut.

percent. By early last week, it had sold off to a level putting rates at 7.36 percent. After news of the latest rate cut, the police rallied to a yield of 7.11 percent, but by Friday it had retreated back to 7.33 percent. Meanwhile, during the week of the overnight money fell half a point, to 7.5 percent.

The strategem left the central bank looking inept, but it brought into focus the bank's new policy tool: dissimulation aimed at reducing currency speculation.

These apparently inconsistent price actions illustrate that "markets are very confused," Mr. Drobny observed. "There is no clear view on where German rates are now or on how far and how fast they will fall in coming months."

There are numerous examples of Bundesbank council members expressing concern about inflation or money supply growth — and thereby dashing market hopes of an imminent easing in policy — followed almost immediately by a cut in rates. The salami-slice reductions themselves are another example of stoking expectations that rates are declining without giving the market the big cuts it anticipates.

The net effect of such erratic price movements — and the hidden aim of the Bundesbank policy — "is to squash volatility in the foreign-exchange market," Mr. Drobny said.

"Traders can't buy or sell aggressively if they don't really know where interest are or what's driving them down and how fast," he said.

European exchange rates have been dangerously volatile over the last six months, and the Bundesbank has very successfully quashed that volatility. As a result, system-wide risks have faded. "Noting the recovery of the French franc, the lira and the pound sterling in recent weeks, Mr. Drobny says that current strains in the European monetary system, notably on the peseta, "are now country-specific rather than system-wide problems."

Analysis at Paribas Capital Markets in London. See BANK, Page 17

Kiosk

Israel Ready to Let 30 Deportees Return

AMMAN, Jordan (AP) — Israel will allow about 30 Palestinian deportees to return home after years in exile as part of a package of concessions to the Palestinians, a senior Palestinian official said Sunday.

The decision is apparently linked to an Arab decision to return to Middle East peace talks, scheduled to resume Tuesday in Washington.

Saeed Erakat, deputy leader of the Palestinian delegation to the talks, said the returning deportees would be from among those expelled from the occupied territories from 1967 to 1987 for anti-Israeli activities. He did not say how many people that involved or how long the repatriation process would take.

General News

There are a hundred different views of President Clinton's first 100 days. Page 3. Pope John Paul II made a one-day visit to Albania. Page 2.

Sports

Drew Bledsoe, the strong-armed quarterback who left Washington State after his junior year, was picked first in the National Football League draft. Page 21.

Business/Finance

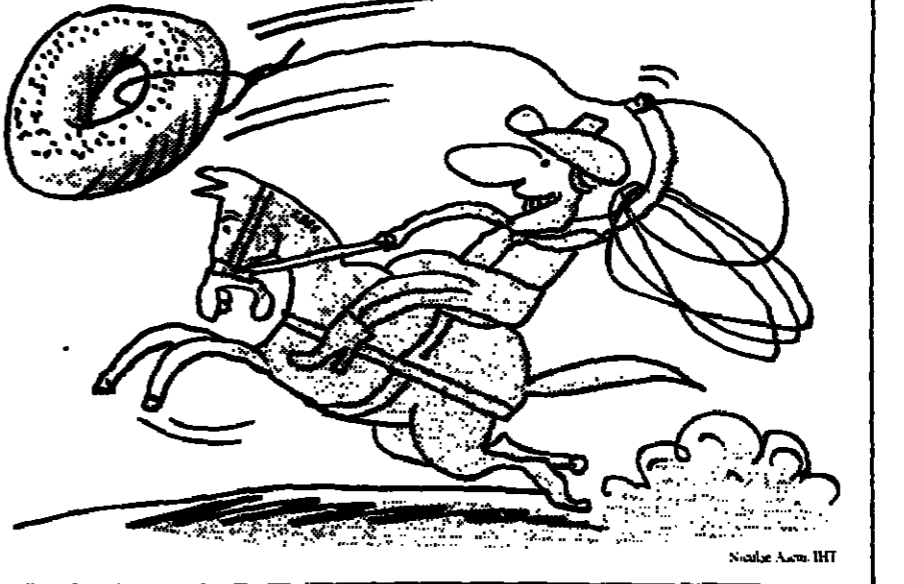
Brazil will speed privatizations to help its economy. Page 15. EC farm ministers set marathon negotiations to set quotas for the year. Page 15. Page 6.

Here Comes McBagel, Ethnic No More

By Molly O'Neill New York Times Service NEW YORK — The bagel, that chubby, chewy staple of New York life, has rolled across the country. First, it took over the frozen-food counters of supermarkets, then it reached the menus at McDonald's and Burger King. Now, it has started pushing aside muffin and croissant stores in malls.

"If you can become a doughnut, or a doughnut proxy in the fast-food market, you are no longer an ethnic food. You are as American as pizza," George Rosenbamm, food trend analyst

"The bagelry is your new pizzeria," said John DePalo, manager of Bagel Oasis, an old-fashioned bagel bakery in Queens, New York. "We used to be one of the only games in town. Now there's a bagel shop in every neighborhood."



mass-bagel acceptance has become as common as cream cheese. Buoyed by its low-fat, high-carbohydrate nature, as well as its accessibility and relatively low cost, the bagel is poised for its own Horatio Alger story.

Others are more circumspect about the industrialization of the bagel, which was previously shaped by hand and boiled in a kettle before baking. "The reformulating that mass-

See BAGEL, Page 6





Herald International Tribune

Russian Common Ground

The Russian referendum on Sunday was one vital sign that democracy is taking hold in harsh Russian soil. For Boris Yeltsin, it has been a chance to renew his shrinking popular mandate. But unless voters rallied to him in unexpectedly large numbers, it will not be easy to translate that mandate into new momentum for economic and constitutional reform.

Transition in Turkey

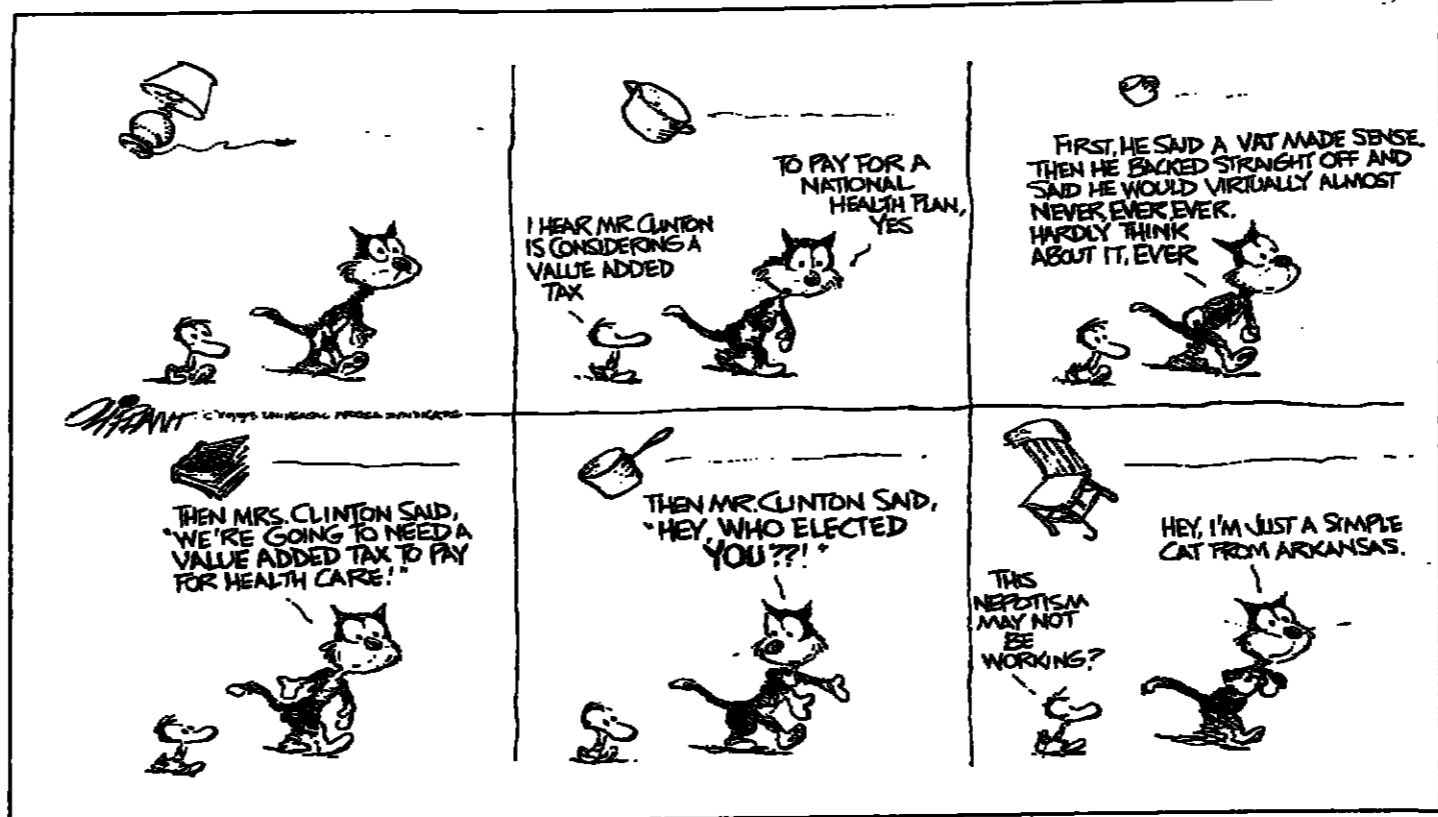
The death on April 17 of Turgut Ozal, Turkey's president, was bad news for the West. Mr. Ozal, who died of heart disease after returning from a grueling tour of the ethnically diverse republics of ex-Soviet Central Asia, had been an early and strong supporter of American policy in the Gulf War and a highly visible pro-Western figure outside Turkey's borders.

Listen to Tibet's Case

The Dalai Lama, exiled religious and political leader of Tibet, is coming to Washington in the hopes of generating a new burst of official American concern for his homeland. The occupier since 1949, Communist China has the power and has used it relentlessly to subvert Tibet's aspirations for nationhood and independence.

Other Comment

Russians Need Democracy: As power struggles intensify and Russia's economy plunges toward chaos, it has become fashionable to contrast Russia with China and to argue that Russia needs an authoritarian government like those that have accompanied successful economic reform in China.



Clinton Has to Be Seen to Lead at Home and Abroad

By Leslie H. Gelb

NEW YORK — From Washington and around the world, the grumbling has begun about President Bill Clinton's leadership, his ability to wield power and his willingness to do what is necessary to prevail.

IN the game of power perceptions, Mr. Clinton's collapse cost him dearly. Either he should not have made the issue a test case, or he should have cracked heads to make sure he had the votes to win.

These goals can be met by using NATO air power and by arming the Muslims, and would call for minimal ground troops to guard safe havens. If Mr. Clinton will lead in this direction, Europe will follow.

Under Milosevic, Serbia Is Throwing Out Its Future

By William Pfaff

PARIS — The diabolizing of the Yugoslav war has gone very far. Atrocious propaganda is a dangerous weapon, with a tendency to recoil against those who employ it.

longed to independent and potentially hostile states. Serbia — "Greater Serbia" — had been partitioned by German-led Europe. The Croats did nothing to calm concern about the Serbian minority in Croatia.

There are other members of the conspiracy: the Vatican (Croatia is Catholic) and Islamic extremism (in explanation of why the Bosnian Muslims have to be conquered as well).

Life Becomes a Collection of Receipts

By Richard Cohen

WASHINGTON — Moses Herzog, the wonderful creation of the novelist Saul Bellow, can't stop himself. In the novel "Herzog" he compulsively writes letters and notes.

from the other, the two of them combining in yet another bar, net worth, which heads downward, past a line on the monitor and toward the apartment below me. I have plunged into negative numbers, a concept I could not understand in high school but which, many years later, turns out to be my plight.

Then, someday, I'll have to sit on the side of the highway along with an IRS agent and go through every thing as tractor-trailers rumble by, or, as they seem to do every morning, turn over and spill chicken fat on the highway. I probably won't even look up.

The IMF Is Turning Activist

By Hobart Rowen

WASHINGTON — Led by the United States, the Western powers, which last year failed miserably to help the former Soviet Union avert an escalating socioeconomic crisis, have one more chance.

No one is more conscious of the need to pump aid into the old Soviet republics than Michel Camdessus, managing director of the International Monetary Fund. He made plain in an interview that the IMF's part of the \$28 billion package — about \$3 billion — will move quickly to Russia without the usual "conditionality."

There is such a gap between the national government of Russia and the local outposts that an Aeroflot plane starting from Moscow must negotiate with local airport authorities for the fuel necessary to continue.

Above all, he wants the big powers to think big and address their global responsibilities. Referring to the upcoming IMF-World Bank meeting, he ventured: "We do not have so many occasions where the dynamics of the global situation are so clear, as is the opportunity to do something."

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: A Wild Roundup

LONDON — All the wild boars, or rather the bear and three sows, which escaped from Knole Park, Lord Sackville's seat at Sevenoaks, have now been killed after an exciting hunt.

1918: News From France

FRENCH BATTLEFRONT — From dawn till night to April 24 the enemy threw strong assaulting columns repeatedly at Hangard-en-Santerre, where fighting of the most desperate character is taking place.

1943: Events to Come

LONDON — [From our New York edition:] A "vast assault on Italy" and a storming of the "European fortress from the north, the west and the whole of the Mediterranean area" are expected "very soon."

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUBNER, Publisher JOHN VANDOR, Executive Editor...



Proof of Cult Abuse Is Missing
Inquiries Into Reports of Child Molestation Go Nowhere

By Gustav Niebuhr and Pierre Thomas
Washington Post Service
WASHINGTON — Ever since the Branch Davidian compound burned to the ground...

the policeman said, he might not have had enough to convict him.
Should this put the abuse allegations in doubt? Not so, insist many who had even limited contact with the Branch Davidians.

"I know how these types of groups work, and children are always abused," said Priscilla Coates, former executive director of Cult Awareness Network...

At a news conference on Friday, President Bill Clinton said: "We know that David Koresh had sex with children. Where I come from, that qualifies as child abuse."

Neither Mr. Koresh nor any other adult at the Branch Davidian compound was ever charged with criminal child abuse.

The Texas Department of Protective and Regulatory Services summarized its nine-week investigation last spring of child abuse charges against Mr. Koresh: "None of the allegations could be verified. The children denied being abused in any way by any adults in the compound. They denied any knowledge of other children being abused."

Texas child protection officials also said they had received no further abuse allegations after that time. A police sergeant in suburban Los Angeles said that an investigation he conducted last fall came up with enough evidence to warrant an arrest, had Mr. Koresh been in California at that time.

Another person who claims to know details is Marc Breault, who describes himself as Mr. Koresh's chief lieutenant until he quit the cult at the end of 1989 and moved to Melbourne, Australia.

The child abuse "was quite extensive, on a massive scale," Mr. Breault said. "And I'm talking about both sexual and physical. Beatings started at an extremely young age—less than a year old."

He added that the sexual abuse "started at 10 years old."

But Dr. Nizam Peerwani, the Tarrant County medical examiner whose office is handling the autopsies of the victims, refused to elaborate on the wounds or say when the shootings might have occurred.

The victims, a man and a woman, were found next to each other on top of a concrete bunker at the center of the compound near Waco, Texas, he said.

A 51-day standoff between the Branch Davidians, led by David Koresh, and authorities ended on April 19 in a fire that consumed the compound. Mr. Koresh and 85 of his followers were killed.

Six autopsies had been performed by Saturday. Three of the victims died of smoke inhalation and carbon monoxide poisoning, and the cause of death of another victim was still undetermined pending a toxicology report. Dr. Peerwani said.

AMERICAN TOPICS

'Cult' Debate Revived By Texas Tragedy

The tragic conclusion of the siege of the Branch Davidian compound near Waco, Texas, has revived a debate in religious circles over the use of the word "cult."

Some experts say the term only serves to dehumanize. The New York Times reports. Others say it serves as a warning of what such groups are capable of.

Rabbi A. James Rudin, who with his wife, Marcia, wrote "Prison or Paradise: The New Religious Cults" (Fortress Press, 1980), said the term accurately described the Branch Davidians. He added, "There are other, dangerous cults out there."

Experts say roughly 200 religious communities in the United States live in confined areas, often forming around a religious leader, withdrawing from society and relinquishing private property and personal freedoms.

James Richardson, a sociologist of religion at the University of Nevada at Reno, objects to "cult." He said he prefers words like "new," "minority" or "esoteric." He said: "We forget that 99 percent of minority religious groups are benign and peaceful and just want to be left alone."

year-olds, has been widely criticized as ineffective, one study suggests that it can make a difference even beyond the school years. A survey of one such program in Ypsilanti, Michigan, showed that children who had taken part had greater earnings power in later life, more stable marriages, fewer drug problems and fewer arrests than children in a control group not in a preschool program. Both groups were monitored from ages 3 to 11 and again when they were 14, 15 and 19 years old.

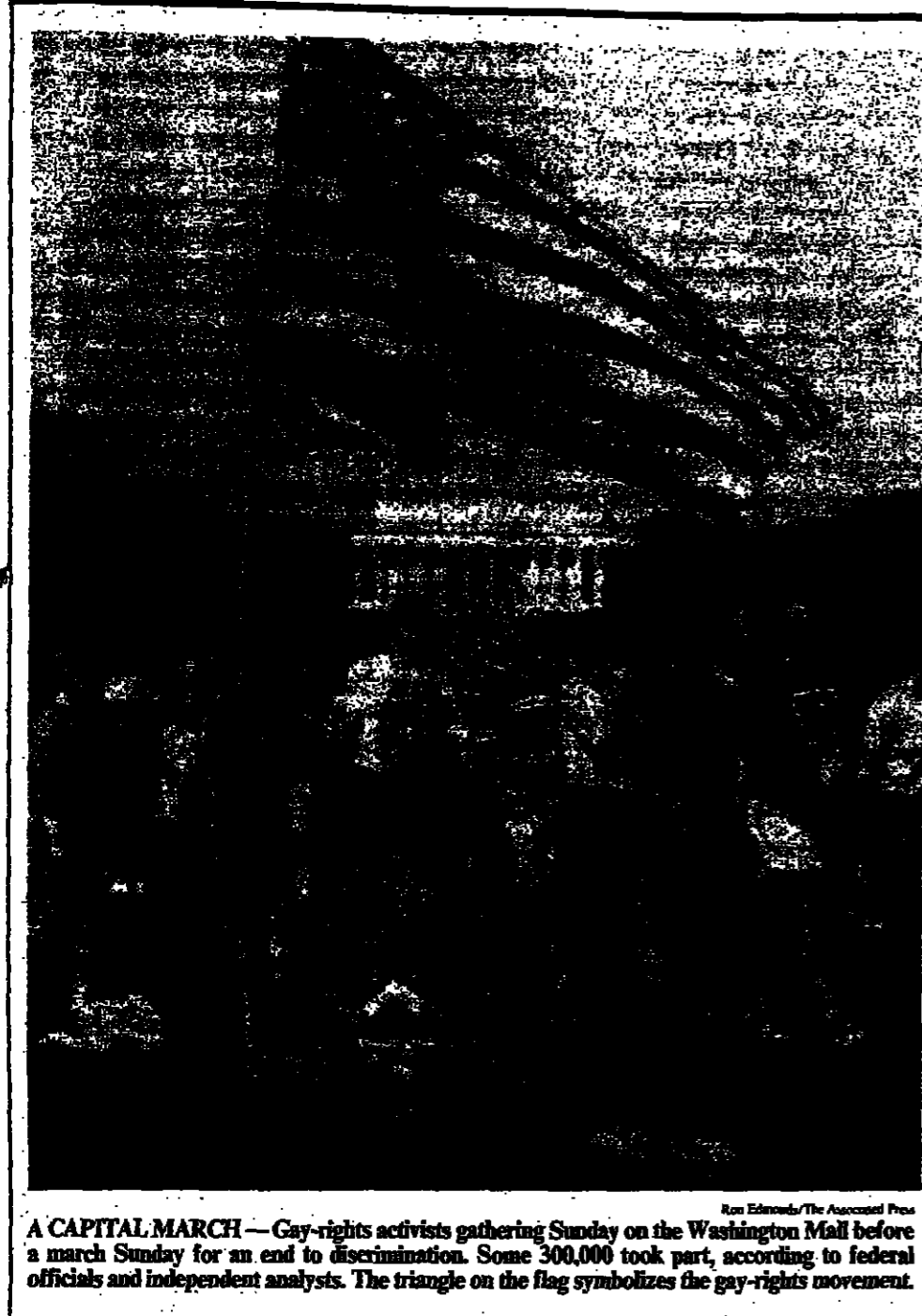
A "Giant Panda Conservation Action Plan" has been launched by the American Association of Zoological Parks and Aquariums to help reverse the endangered animal's population decline and ensure that money earmarked for conservation will be used wisely. The plan, agreed to by the group's 161 member zoos, will also cut down on the number of temporary panda exhibits. Critics say these make money for zoos, but distort the pandas. About 1,000 pandas survive in their natural habitat in western China, and about 100 in captivity.

Customers who showed up naked were given a 50 percent discount at a Gainesville, Florida, record store. Eleven young men took advantage of the offer before the police intervened. The store's co-owner, Scott Williams, complained that the police were "completely humorless."

About People

The actress Kathleen Turner, 38, when asked how she likes being described as a sex symbol, replied, "The older I get, the less I mind."

Arthur Higbee



A CAPITAL MARCH — Gay-rights activists gathering Sunday on the Washington Mall before a march Sunday for an end to discrimination. Some 300,000 took part, according to federal officials and independent analysts. The triangle on the flag symbolizes the gay-rights movement.

Oliver Tambo, Ex-ANC President, Is Dead at 75

By Constance L. Hays
New York Times Service
Oliver R. Tambo, 75, leader of the African National Congress for decades when it was banned and he was in exile, died early Saturday from a stroke, the ANC said in Johannesburg.

In 1967, Mr. Tambo became the leader of the largest South African organization opposed to apartheid and white minority rule. He suffered a previous stroke four years ago in Sweden.

Mr. Tambo fled into exile in 1960, when the ANC was banned by the South African government. He directed the congress's activities in exile, pressing for sanctions against South Africa and helping set up a guerrilla organization in neighboring black states.

He returned to South Africa as president of the congress in December 1990, after its legalization. Because the stroke in 1989 left him

the government in February 1990 after 27 years in prison. The two men had been partners in South Africa's first black law firm. The congress created the post of national chairman for the ruling activist.

INTERNATIONAL RECRUITMENT
You will find below a listing of job positions published last Thursday in the International Herald Tribune under the International Recruitment Feature

ESCORTS & GUIDES
BELLE EPOCH
LONDON • PARIS
MERCEDES
LONDON ESCORT AGENCY
ARISTOCATS

INTERNATIONAL CLASSIFIED
(Continued From Page 3)
ESCORTS & GUIDES
GENEVA • CAMBRIDGE
GENEVA • PARIS

ESCORTS & GUIDES
HAMBURG • HANNOVER
FRANKFURT • TOP TIER
GENEVA • PARIS

The Russian referendum
European interest rates
Japan's soaring yen
Chaos in Bosnia
Transition in South Africa
... news events which affect all our lives.
Shouldn't you be following them daily in the IHT?
Subscribe 44% and save up to off the newsstand price
CALL US TOLL-FREE IN FRANCE: 05 437 437
GERMANY: 0130 848585
SWITZERLAND: 155 57 57

Subscription Rates & Savings off IHT Newsstand Prices
Country/Currency
Australia A. \$ch. 6,000
Belgium B.F. 14,000
Denmark D.Kr. 3,400
France F.F. 2,400
Germany (West) D.M. 700
Great Britain £ 210
Greece Dr. 75,000
Italy Lit. 500,000
Japan Yen 14,000
Netherlands Fl. 770
Norway N.Kr. 3,500
Portugal Esc. 47,000
Spain Ptas. 48,000
Switzerland S.Fr. 910
United States U.S. \$ 800

# The Return of the Hired Gun

## After 30 Years, Mercenary Retires to Paris

By Alan Riding  
New York Times Service

PARIS — Wandering past the Café de la Paix near the Opéra in a blue blazer, collar and tie, Bob Denard looked like any other respectable Parisian returning to work after lunch.

"One can be a mercenary and a gentleman, you know," he said with a smile.

The dapper 64-year-old had good reason to feel relaxed. After 30 years of adventure, war and politics across Africa, this country's most famous soldier of fortune has at last come in from the heat, surprised to be alive, even more surprised to find France ready to embrace him as a patriot.

When he returned home in February from three years in exile in South Africa, his reception was less warm. He was jailed on charges of "criminal association" for his role in an abortive coup that left eight people dead in Benin in 1977.

But, at his trial, even the prosecutor asked for leniency. More importantly, a parade of retired generals, intelligence chiefs and politicians testified that Mr. Denard had never betrayed French interests. Given a five-year suspended sentence, he walked free after two months behind bars.

"All my roots, all my family, all my children are in France," he said of his eight offspring from seven wives. "I could no longer stay away. I couldn't continue living like a pariah. I had to come home."

Yet there was more to his return than nostalgia. With the end of the Cold War, Africa is no longer an arena for East-West rivalry, South Africa is seeking new friends among its neighbors. And, with all this, the hired gun is no longer much in demand.

"For a long time, it was the fight against communism," he said. "For us, wherever there was communism, it had to be eliminated. And since in all these rebellions, the two blocs, East and West, were always confronted, well, we were the soldiers of the West."

His list of assignments coincided with many African and some Middle Eastern hot spots — Katanga in

five warships and 3,000 troops to the Indian Ocean to chase Mr. Denard and his 30-man corps from Comoros, an island group where for more than a decade they had been the power behind President Ahmed Abdallah Abderemane.

Weeks earlier, Mr. Abdallah had been assassinated under murky circumstances. France braced for the possibility of major unrest in its former colony, and rather than fight French troops Mr. Denard took a plane into exile in South Africa.

Renting a home in a Pretoria suburb, he waited to be called out of retirement, but the invitation never came. South Africa no longer needed him. France, which had sentenced him to jail in absentia for the Benin case, refused to renew his passport. So he sat down to write his memoirs.

Born of a soldier father in a village in the Bordeaux region, he joined the navy as a teenager and was sent to Vietnam, where France was fighting to hold its colony. There, he suffered the first of his three war wounds.

In 1952, he left the French Navy and joined the police in Morocco, where an independence movement was also stirring. In 1956, he was accused of taking part in an attempt to assassinate Pierre Mendès-France, the Radical Socialist prime minister who ended France's involvement in Indochina. Though he was later acquitted, Mr. Denard spent 14 months in jail.

Back in France, he found a job as a salesman, but he was restless. In 1961, learning there was a need for experienced soldiers in what was then the Belgian Congo, he signed up to train Moïse Tshombé's troops, who were fighting for the independence of Katanga, now Shaba Province in Zaire.

From then on, Africa and its troubles became his life. He was badly wounded in Zaire in 1967 and still limps. Years later, fighting for the other side in another Zaire uprising, President Mobutu Sese Seko made him a colonel.

"There was the adventure," he said. "There was also the money, though not a lot. But there was also some idealism. We had our code of ethics, our code of honor. We never committed acts of terrorism, never killed innocent civilians. We had our own rules but also the laws of the country where we worked."

He insisted that he never saw his role as defending whites or "civilizing" Africa. "That was the excuse for colonialism," he said, "and so many mistakes were made. If we have lots of African immigrants here today, it is because we took their raw materials and never created jobs. Now we're paying for it."

**"There was also some idealism. We had our code of ethics."**

**Bob Denard, French soldier of fortune**

1962, Yemen in 1963, Zaire from 1965 to 1967, Biafra in 1967, the Kurdish region in 1974, Comoros in 1975, Angola in 1976, Benin in 1977, Comoros again in 1978, and Chad in 1981-82.

But he said that before embarking on an action he always checked with Paris — with French military intelligence or with the official in charge of African affairs in Elysee Palace. "I would receive the yellow light," he said, "which meant there was no opposition."

He said he worked with British intelligence in Yemen and with the Central Intelligence Agency in Angola. But elsewhere, he and his men — at one point in Zaire, he led an army of 1,200 mercenaries — invariably fought for African presidents or rebel leaders who enjoyed official French sympathy.

It was also France that ended his career. In December 1989, it sent



London workers beginning the cleanup Sunday. Near-normal operation of the financial district is expected Monday, although the worst-hit buildings will be off-limits.

# LONDON: IRA Claims Responsibility for a Bombing That Guttured the Heart of the City

(Continued from page 1)

quarters of the Hongkong & Shanghai Banking Corporation. Most companies said they were arranging for alternative office space and that they did not expect any major disruption to any essential parts of their business.

Officials from the Corporation of London, the local government for the area, set up a center to match businesses with available office space, and the telephone company established a help line for

companies needing phone and other telecommunications services to keep their operations going.

The IRA has apparently sought in recent years to do as much economic damage as possible with its bombs, successfully detonating a large blast last spring amid the skyscrapers of the financial district and failing in another effort last autumn to blow up a portion of Canary Wharf, a huge new development in the London docklands.

Initial estimates of the damage from Saturday's bomb ran as high as \$1.5 billion. But the Association of British Insurers said early estimates could prove to be "widely inaccurate."

The group noted that the initial assessment from last spring's blast in the City, which caused extensive damage to the Baltic Exchange building and other nearby offices, was also \$1.5 billion.

The cost of the repairs proved to be less than a third of that. Some of the cost this time is expected to be borne by insurance companies and by the Lloyd's insurance market. But much of the price tag may be paid by the British government, which earlier this year agreed to step in as an insurer of last resort for the many building owners who were finding it impossible or prohibitively expensive to get coverage against a terrorist attack.

The cost of the repairs proved to be less than a third of that. Some of the cost this time is expected to be borne by insurance companies and by the Lloyd's insurance market. But much of the price tag may be paid by the British government, which earlier this year agreed to step in as an insurer of last resort for the many building owners who were finding it impossible or prohibitively expensive to get coverage against a terrorist attack.

# 7 Slain in ANC-Inkatha Clash At Funeral in a Natal Village

JOHANNESBURG — Seven people were killed Sunday when African National Congress supporters shot two Inkatha Freedom Party members at a funeral village members at the attackers, killing five of them.

A police spokesman said two mourners were killed and eight wounded at the Natal Province village of KwaMbonambi when gunmen attacked mourners at a vigil for an Inkatha regional leader, Calplus Dlamini.

Mourners chased the attackers,

who were identified as ANC supporters, and killed five of them on Sunday morning.

Mr. Dlamini was shot outside his house last week.

The bloodshed occurred a day before South African negotiators were scheduled to meet outside Johannesburg to discuss the country's transition to democracy.

Negotiators said they were confident that they could soon reach agreements to curb political violence, avert economic ruin and end the country on the road to majority rule.

Mr. Dlamini was shot outside his house last week.

The bloodshed occurred a day before South African negotiators were scheduled to meet outside Johannesburg to discuss the country's transition to democracy.

Negotiators said they were confident that they could soon reach agreements to curb political violence, avert economic ruin and end the country on the road to majority rule.

# DIRECTORIA

INTERNATIONAL CONVENTION FOR DIRECTORS OF LOCAL AND REGIONAL AUTHORITIES

**DIRECTORIA '93**  
Brussels, June 2-3-4, 1993

An opportunity for you to meet 500 Directors of local or regional authorities.

**ADMISSION FEE INCLUDES**

- a schedule of meetings, arranged individually for each participant, fixed with local or regional authorities, representatives of the EC programmes and specialised international experts
- admission to seminars
- insertion in the participants' dossier
- the technical catalogue presenting all the local and regional authorities which are looking for partners, heads of EC programmes and the international experts specialising in helping local and regional authorities
- participation in seminars on specific topics which are organised to complement your meetings
- lunches and coffee breaks.

**FOR FURTHER INFORMATION**

**ADHESION & ASSOCIÉS**  
9, rue de l'ancienne Mairie  
92100 Boulogne, France  
Tel: +33 1 48 25 26 04 - Fax: +33 1 46 03 86 26

**ADHESION & ASSOCIÉS**

# MEET THE EURO MAKERS

**DIRECTORIA '93 is an EC convention in Brussels to encourage links between local and regional authorities and it offers the opportunity to meet private companies whose services, advice and know-how represent the cream of the European ideal.**

DIRECTORIA '93 is a unique opportunity for local and regional authorities to broaden their network of essential contacts throughout Europe.

To be held in Brussels, the heart of the EC, the event will unite the 500 main local authority directors for the first time.

This will enable the development of joint projects between authorities across the continent, where tangible benefits and savings can be achieved.

When a delegate decides to attend DIRECTORIA '93, they fill in a form for their local authority and region (economic data, assets) and the priorities which are of concern to them — this form will be the delegates' dossiers they will receive after registration.

One month before DIRECTORIA '93, the delegate will receive a catalogue presenting all the delegates attending the event. The delegate selects which people, from the fields of EC officials, international experts, the private

companies of the local authorities, and send their choices.

All the choices of meetings of all the participants are then processed by computer to establish a personal schedule for each delegate.

DIRECTORIA '93 also includes plenary seminars run by the European Commission covering the following:

- First Plenary Seminar.** "Regional policies and co-ordination in Europe: Trends and Prospects", Mr Eneko Landaburu, Director General of DG XVI
- "Networks of Experience: Exchanges in the field of Regional Development", Jean-Charles Leygues, Manager of DG XVI
- Speakers: Charles Grey, Chairman of RETI, Council of Strathclyde, Vice-Chairman of CCRE; Christian Lavigne, Chairman of EURADA (European Association of Development Agencies); Hinrich Lehmann-Grube, Lord Mayor of Leipzig; Henri Le Marois, Chairman of EGLEI (European Group for Local Employment Initiatives).

**Second Plenary Seminar**

"Local development, Partnership and subsidiarity", Carmelo Messina, Head of Division DG XVI

Speakers: Eithne Fitzgerald, Irish Minister of State for Finance; Pasqual Maragall Mira, Lord Mayor of Barcelona, Chairman of CCRE; Jean-Pierre Rafarin, Member of the European Parliament, Chairman of Poitou-Charentes Region; Jorge Sampaio, Lord Mayor of Lisbon, Chairman of EUROCIOTES.

**Final Address:** Mr René Steichen, Member of the commission responsible of Agriculture and Rural Development.

Round table discussions on specific themes will also be held during convention.

In addition, DIRECTORIA offers the chance to meet the representatives of 40 private companies which offer Europe wide services in the fields of:

- national and regional development
- specialised services
- general services

In each of these areas the companies are capable of improving the management, living conditions, organisation and development of local authority.

# ASYLUM: System Overwhelmed

(Continued from page 1)

disagree as to why. Officials of the immigration agency say that legal changes intended to ensure that asylum-seekers are treated with justice force them to admit the bad with the good.

But critics of the agency say it has so few asylum officers trained to uphold those rights and root out wrongdoers that the system cannot help but fail.

Each day the ideal of political asylum confronts reality at such places as Newark International Airport, which serves New York, where last year 23 officers faced 23,743 people who sought asylum, and New York's Kennedy International Airport, where dozens of asylum-seekers with false travel documents, or no documents at all, enter the United States each week.

Last year, 103,447 people from 154 nations sought political asylum in the United States. The greatest numbers came from Guatemala, El Salvador, the former Soviet Union, the former Yugoslavia, China, Cuba, India and Pakistan.

By September, 330,000 people will be waiting for hearings. If the nation sealed its borders, the last of the people would not be heard until well after the turn of the century.

# BAGEL: With Cinnamon?

(Continued from page 1)

marketing requires does toy with perfection," said Marilyn Bagel, author of "The Bagel Bible" (Globe Pequot, 1992), which she wrote with her husband, Tom Bagel. (Bagel is their real name.) But she added that the softer texture and diminished crust that are characteristic of mass-produced bagels must be weighed against the increasing accessibility.

Still, the soaring availability of bagels makes her fear the future. Bagels, she whispered, could become a new Wonder bread.

George Rosenbaum, who analyzes food trends for the Leo J. Shapiro Co. in Chicago, said Mrs. Bagel's concern was well grounded. "A bagel is a doughnut with the sin removed," he said. "If you can become a doughnut, or a doughnut proxy in the fast-food market, you are no longer an ethnic food. You are as American as pizza."

Perish the thought, say bagelites. The object of their desire has long been called "a cement doughnut," and purists relish the characteristics that make the title well-earned.

But others assert that industrial innovations have improved bagels. "The cement doughnut was extremely chewy and dense," said Mr. Wirtz of the American Baking Institute. "But it was limited. All you could do was eat it. The softer bagels are more versatile. You can make sandwiches, little pizzas, even slice them and bake them to eat like taco chips."

To traditionalists, the softness of modern bagels seems a metaphor for the softness of modern society. These bagels, they say, aren't merely emblematic of fading conservatism; they also represent a significant and worrisome shift in political and economic life that should be redressed legally.

The demise of the traditional bagel way of life has been furthered by additional ingredients. Spot Bagel in Seattle offers blueberry swirls. Bagel and Bagel in Kansas City can't bake enough whole-wheat honey bagels. Raisin and cinnamon bagels, egg bagels, even cheddar cheese bagels are becoming commonplace.

But Mr. Waxman said innocent citizens should be protected. "This kind of perversion," he proclaimed, "should be prohibited by law."

# BRIDGE

By Alan Truscott

**T**HE Multi Two Diamonds opening is commonplace in Europe but restricted in the United States. It cannot be played on the first day of many national events, but is allowed on subsequent days when the nerves of the opponents are assumed to be stronger.

The Multi was used on the diagrammed deal by James Griffin and Ken Schutte of Austin, Texas, who were en route to a victory in the North American Pairs in Kansas City, Missouri. Two diamonds suggested a weak-two bid in one of the major suits, and his pass of the two-heart response showed that his suit was hearts. West subsequently "raised" to three hearts, and pushed his opponents to three spades.

West led the heart king, which was allowed to win. Another heart went to the ace, and a diamond was led. Griffin, as East, now found the only route to a successful defense. He put up his ace and made the key play by shifting to the club nine. This was covered by the ten, queen and ace, and the declarer was helpless. He chose to lead to the spade ace and continue the suit, and West took spade winners and led another club. The defense was now sure of five tricks.

**IRAQI KILLED AT ISRAEL BORDER**

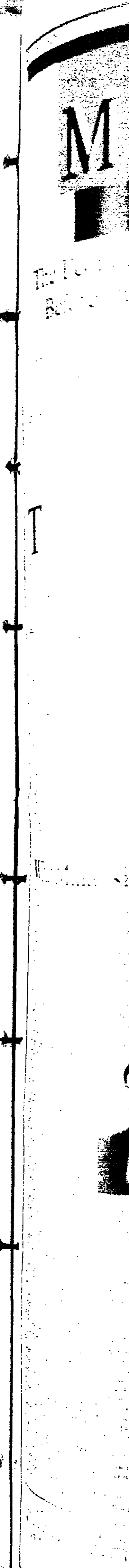
The Associated Press

**JERUSALEM** — Troops shot and killed an unarmed man dressed in civilian clothes trying to enter Israel from Jordan, the army said Sunday. Army radio identified the man only as a 27-year-old Iraqi. The reason for the attempted infiltration was under investigation.

Neither side was vulnerable. The bidding:

East	South	West	North
♠ 2	♠ Pass	♠ 2 ♣	♠ Pass
♥ 5	♥ Pass	♥ 3 ♣	♥ 3 ♣
♦ 7	♦ Pass	♦ Pass	♦ Pass
♣ 10	♣ Pass	♣ Pass	♣ Pass

West led the heart king.



ADVERTISING SECTION

ADVERTISING SECTION

# MALAYSIA

## POWERHOUSE OF THE '90s

### The Economy Catches Its Breath Before the Next Leap Forward

Malaysia is no longer the land of the future. The future, in many ways, has already arrived. This is a country where executives' drivers are buying their own cars, shopping malls are crowded and rural folk are enjoying a standard of living their grandparents' generation could not even imagine.



Integration of past and present is Malaysia's touchstone: a developing economy that is striving to keep traditional foundations firm. Photo PIX S.A.

There is a solid, convincing feel to Malaysia's economic success. The economy has grown slightly more slowly of late, causing economic planners, who hope to use the period to consolidate gains, to breathe a sigh of relief. Growth was 8.5 percent in 1992, despite global contraction, down from 8.7 percent in 1991. It averaged 8.9 percent between 1988 and 1992, leading the region.

The ranks of the middle class are swelling. Per capita GNP was 7,403 ringgit (\$2,858) in 1992, up from 5,065 ringgit just five years ago; unemployment was pegged at a negligible 5.4 percent in 1992.

The diversification and sophistication of the economy is reflected in the growing percentage of GDP accounted for by manufactured goods: 29.3 percent in 1992. Last year, the country achieved a trade surplus of \$1.5 billion. At 8 percent, Malaysia has one of the lowest debt-service ratios in the region; its foreign reserves of \$18.9 billion are equivalent to 4.5 months of imports, and inflation has been held to 4.7 percent. If inflation can be held down, domestic interest rates are expected to drop by 100 to 150 basis points from the

current 9 percent to 7 percent or 8 percent. Foreign direct investment worth 10.4 billion ringgit flowed in during 1992, and domestic companies are expanding.

The economy is not unsinkable — those who are still licking their wounds from Malaysia's 1985-86 recession will attest to that. Traffic, power shortfalls, a tight labor situation and the challenges of combating inflation, controlling the possibly overheated real-estate sector, regulating rapidly evolving capital markets and keeping cities green are enough to keep planners from resting on their laurels.

Some say the stability of Malaysia's democratic institutions has led to economic prosperity. Others say it is the other way around. Either way, Prime Minister Mahathir bin Mohamad has made the economy a rallying point for Malaysia's people, a mix of Malays, Chinese and Indians. Detailed plans for the country's development include "Vision 2020," which calls for the country to be fully developed by the year 2020. "Outline Perspective Plans," the National De-

velopment Policy and five-year "Malaysia plans."

The current economic crusade began after a brief but serious depression in 1985-86 as prices of tin, crude oil and other commodities important to Malaysia's economy plummeted. Since then, emphasis has been placed on adding value to the country's natural resources, revising monetary policies to set the stage for financial reforms and an extensive privatization program, which has resulted in the privatization of Telekom as well as Tenaga, the national electrical power utility. Between 1992 and 1995, 57 agencies are to be privatized.

Kuala Lumpur's stock market has become the largest in Southeast Asia, with a capitalization of almost \$100 billion, largely due to the privatization program. Telekom and Tenaga together make up about 20 percent of the market's capitalization. Fully computerized, the exchange is watched over by a new regulatory body, the Securities Commission, which came into being on March 1.

In an effort to attract foreign investors, a complete slate of investment incentives has been put in place. The drive to attract investment has been almost too successful:

the country's infrastructure, the envy of other developing countries in the region, has been strained.

Power outages have blotted the country's otherwise sparkling power infrastructure record. Worried government planners have expedited projects, nudged negotiations that could make private power generation a reality and scurried to reassure the public with plans to raise installed capacity from the current 5,700 megawatts to 14,000 megawatts by the year 2000. There are plans to increase the use of gas from 25 percent to 65 percent and to reduce the use of coal and oil from 59 percent to less than 10 percent.

A stickier problem has to do with Malaysia's labor force. As this country of 17.7 million moves from a developing stage to newly industrialized status, one growing pain is the inevitable shortage of workers for labor-intensive and agricultural work. Labor shortages, particularly in the agricultural sector, have led to higher labor costs, which threaten

Malaysia's competitiveness as an exporter of agricultural commodities such as rubber, palm oil and cocoa. This has highlighted the urgency of the government's plan to expand manufacturing and lessen the country's dependence on agriculture and mining.

As the country's workers move from plantations and mines to factories, workers can be brought in from heavily populated Indonesia to take their place, but this will come at a social and political price. There are also questions as to whether the country's well-trained but small work force will be able to keep up with demands placed on it by the growing manufacturing sector. The Malaysian government has carefully focused its foreign-investment campaign on attracting high-tech, relatively low labor projects for this reason.

After labor, the fight to keep inflation from swallowing the gains of growth is the country's biggest challenge. This calls for a tricky balance

between monetary and fiscal policy. Tight monetary policies over the last two years have had some success in keeping inflation down, but have caused interest rates to go up. This has attracted large inflows of foreign capital and led to the appreciation of the ringgit, which has made Malaysian exports less competitive.

Inflows of foreign funds have also caused considerable liquidity, making the control of inflation all the more difficult. Bank Negara, Malaysia's central bank, appears to have used a substantial portion of its special reserves to mop up excess liquidity, according to private economist and money-market analyst who reviewed Bank Negara's 1992 balance sheets.

While most analysts predict a continued mild slowdown in Malaysia's growth to about 7.5 percent in 1993, economic improvement worldwide is expected to lift Malaysia's 1994 real GDP growth to between 7.9 and 8.5 percent.

Teresa Albor

### 8 percent GDP growth predicted for 1994

overheated real-estate sector, regulating rapidly evolving capital markets and keeping cities green are enough to keep planners from resting on their laurels.

Some say the stability of Malaysia's democratic institutions has led to economic prosperity. Others say it is the other way around. Either way, Prime Minister Mahathir bin Mohamad has made the economy a rallying point for Malaysia's people, a mix of Malays, Chinese and Indians. Detailed plans for the country's development include "Vision 2020," which calls for the country to be fully developed by the year 2020. "Outline Perspective Plans," the National De-

## What Malaysia Has to Offer Investors

N. Sadasivan, director-general of the Malaysian Industrial Development Authority, took a break from preparations for Malaysia's five-country European trade mission April 26-May 12 to discuss the goals of the mission and foreign investment in general. MIDA is the government's principal agency for the promotion and coordination of industrial development in Malaysia. Potential investors can obtain all approvals required at the federal level for setting up manufacturing projects, integrated agricultural projects and hotels and tourism projects from MIDA. It is also responsible for the evaluation of technical, joint-venture and other licensing agreements.

With Malaysia's already high levels of foreign direct investment, why send a trade mission to Europe at this time?

We are keen to attract investment from Europe because we are trying to diversify our sources of investment. At present, about 75 percent of our foreign direct investment comes from Asia; the rest is from the United States and Europe. We would like to see about 40 percent come from Asia and about 60 percent from the United States and Europe. We certainly do not intend to establish quotas or turn any investment away, but this gives an idea of why we are aggressively promoting Malaysia in Europe. Europeans have expertise in metalworking and machining — engineering in general — and this is exactly the type of investment we are interested in attracting. In Europe, these companies are often small, family operations. They are unlikely to be aware of the potential of Malaysia. This mission is to give them information so they might consider this part of the world.

Why should European countries choose to expand operations in Asia when they have the opportunity to expand in East European countries?

Companies always want the greatest return on their investment, and that is what we think Malaysia offers. Political stability, quality of life and the low cost of operations are all part of the package. Investment inflows indicate that this opinion is shared by investors. In addition, Malaysia could be a European company's gateway to the Asian Free Trade Area, which is in the process of being implemented. We have road and rail access to Thailand and Singapore, which, together with Malaysia, represent a market of 80 million of AFTA's 340 million consumers.

All countries in the region offer European companies access to AFTA. While this is certainly one good reason to move to Asia, why would a European company choose Malaysia over its neighbors?

On the balance, we have a better investment package than any other Asian country; taking into consideration

the quality of life, the work force and infrastructure, the environment for doing business is superior here. Over the last 25 years, the industrial sector has been developed to the point that our people are conditioned to working in industry. The female participation in the work force is 45 percent; every sector of our working population is engaged in industry. We pride ourselves on the ability of our workers to adapt to new technologies. And English is widely spoken here.

Why should foreign investors interested in medium- and high-technology projects choose Malaysia over Singapore? Doesn't Singapore have more experience in this area?

The overall cost of doing business in Malaysia is lower than doing business in Singapore. And our auxiliary industry sector is more extensive and growing all the time. For example, there are three plants that produce television picture tubes in Malaysia and only one in Singapore. Further downstream, there are two glass plants capable of making the glass needed for picture tubes in Malaysia. In Singapore, on the other hand, there is only one.

Why have Asian countries — Taiwan and Japan specifically — been the leaders in terms of foreign investment in Malaysia?

Asian countries have been the major players, perhaps because they are our neighbors. We may have been sending out signals that we were primarily interested in Asian investors. Also, Asians seem to make decisions faster. We won't say "no" to investment from Asia; we recognize the competition for foreign direct investment is great, but we aim to broaden the base.

There has been some concern expressed about the ability of Malaysia's power generation and distribution infrastructure to keep up with the expansion of industry. Is Malaysia in for the same sort of problems in keeping up with development as have been experienced by some of its neighbors?

Since the 1950s, infrastructure development has been spread throughout the country, so our rural areas have had better infrastructure than the rural areas of other countries in Asia. We have a larger number of developed urban areas, unlike Thailand, for example, where industry is centered around Bangkok. Thus, industrial investment here has not had the effect of oversaturation. We have spread our development throughout the country. There has been some shortfall of electricity — not in terms of generation, but in terms of supply. Over the last four months, we have initiated several generation and distribution projects. We are on top of the situation and

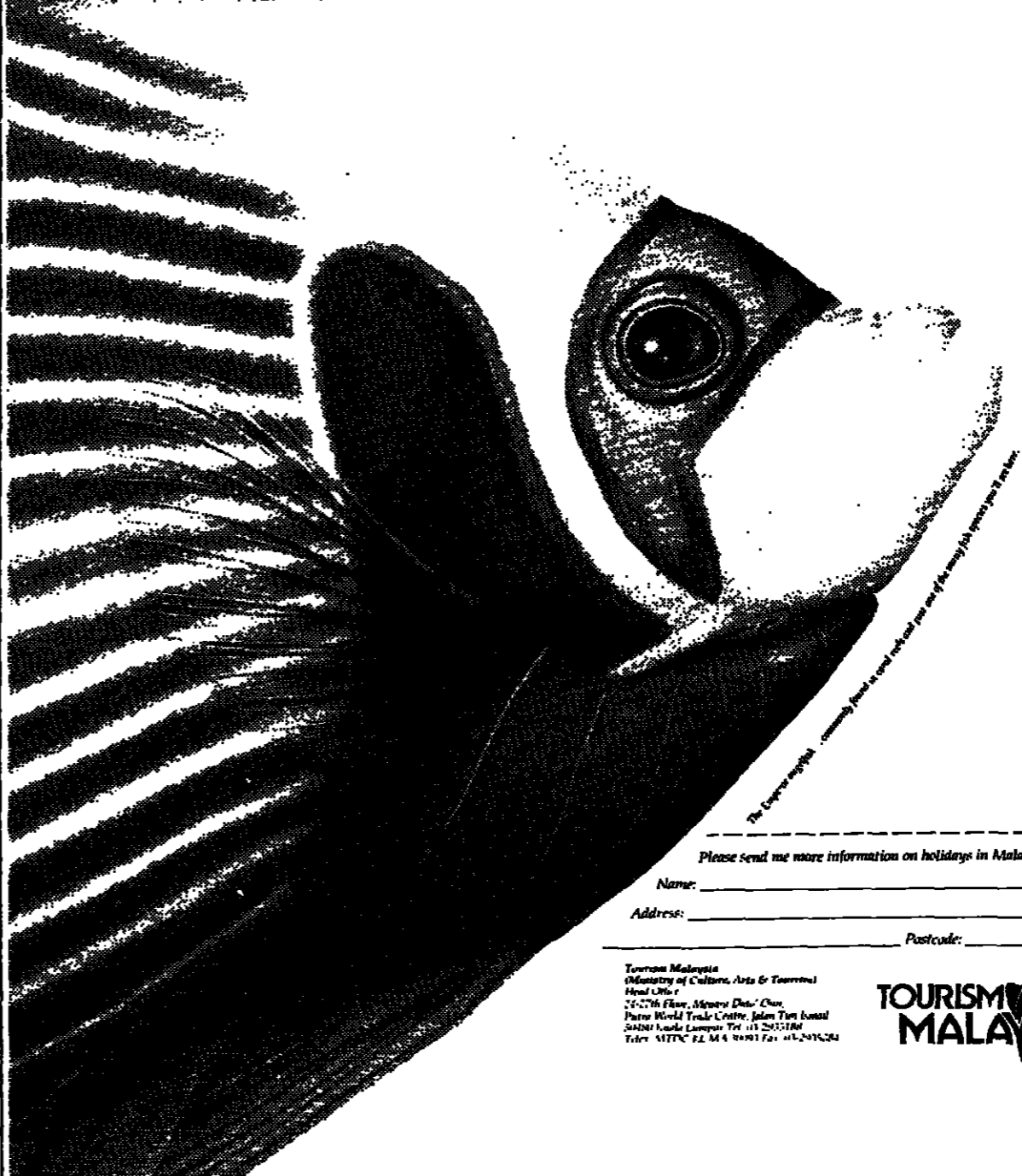
Continued on Page 11

## Soak yourself in ecstasy in Asia's most beautiful coral garden.



All along the Coast of Malaysia, you'll discover a fascinating undersea paradise. Crystal clear waters rippling with myriad fish and iridescent corals. A kaleidoscope of living colour. An enchanting world where the ocean turns from emerald to aquamarine with the changing tides. No wonder they call it Asia's Coral Garden.

FASCINATING MALAYSIA



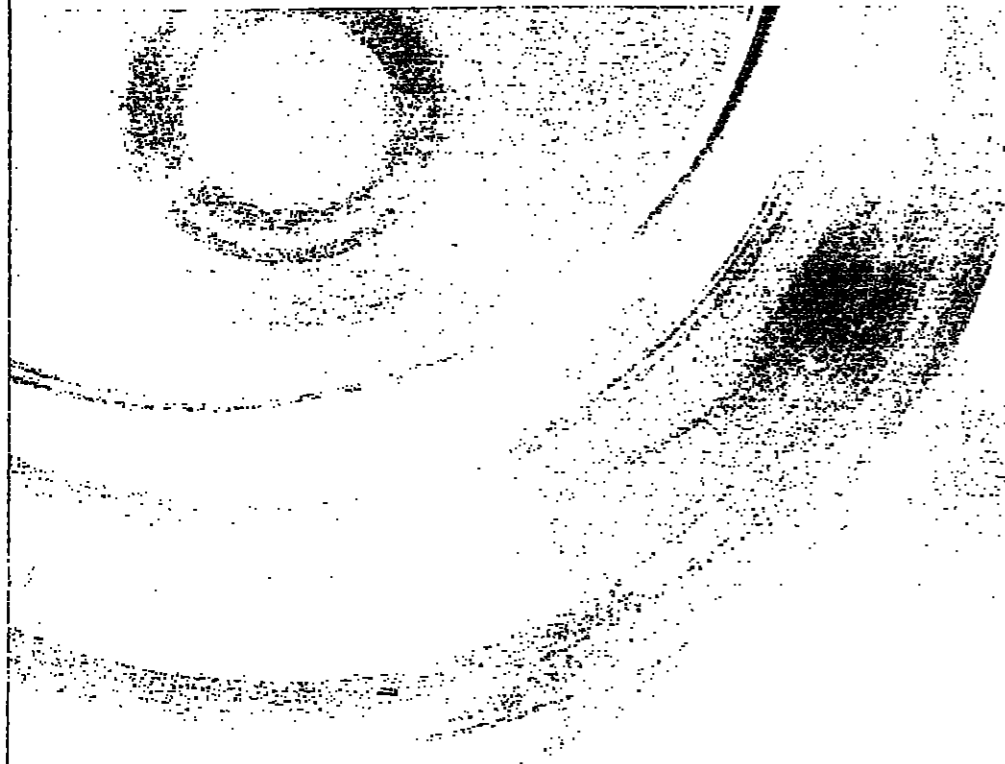
Please send me more information on holidays in Malaysia.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Postcode: \_\_\_\_\_

Tourism Malaysia  
Ministry of Culture, Arts & Tourism  
Head Office  
11, 17th Floor, Menara MAMPU, Chin  
Pagar World Trade Centre, Jalan Tun Hussein  
50088 Kuala Lumpur, Tel: 03 2011100  
Fax: 03 2011101

TOURISM MALAYSIA

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Teresa Albor is a free-lance financial journalist who covers Southeast Asia. • Christopher Kuffel is a Hong Kong-based journalist. • Joseph R. Yogerst is a free-lance journalist based in Singapore.



SEE WHERE  
 PUTTING OUR  
 PASSENGERS  
*first*  
 HAS PUT US.

**INFLIGHT**  
 RESEARCH SERVICES

*Inflight Research Services of London recently conducted a review of 31 airlines' First Class products and services. The final rankings and total percentage points are:*

1.	Malaysia Airlines	62.3
2.	Singapore Airlines	60.0
3.	Japan Airlines	58.2
4.	Cathay Pacific	57.7
5.	KLM	56.8
6.	Swissair	56.3
6.	Thai Airways	56.3
8.	All Nippon Airways	54.9
8.	American Airlines	54.9
10.	South African Airways	53.8
10.	Qantas	53.8
10.	United Airlines	53.8
13.	Emirates	53.0
13.	British Airways	53.0
15.	Gulf Air	52.5
15.	Sabena	52.5
17.	Air France	50.8
18.	Kuwait Airways	50.4
19.	Air Lanka	50.0
19.	Delta Air Lines	50.0
19.	Korean Air	50.0
19.	Northwest Airlines	50.0
19.	TWA	50.0
24.	Philippine Airlines	48.8
24.	Pakistan International	48.8
26.	Iberia	48.0
27.	Turkish Airlines	47.5
28.	Alitalia	46.2
28.	China Airlines	46.2
30.	Garuda Indonesia	45.9
31.	Air India	45.2

It's always nice to be recognised. But especially pleasing to be considered the best, and to be setting new standards. On Malaysia Airlines First Class, we have always given our best. But now it's considered the finest of all these airlines. So isn't it time to judge for yourself? Fly Malaysia Airlines and see how putting you first has put us in the same position.

For reservations and information, call your favourite travel agent or Malaysia Airlines.



### Promoting Awareness Of Investment Incentives

The competition for investment has never been stiffer. Developing countries must offer more to investors who have less to invest. The number of players has increased as the move from centrally planned to market-based economies opens up new areas, such as Eastern Europe and Vietnam, to Western investment.

Says Rafidah Aziz, Malaysia's minister of international trade and industry: "The economic interlinkages of the global economy dictate that business entities must continually seek out competitive and comparative advantages for manufacturing and trade in order to remain ahead of competition."

Malaysia's trade mission will have to make a case for Malaysia as a base for investment, not only as an alternative to Europe, but also as an alternative to other developing countries, especially its neighbors in Asia. The country's assets are many:

#### Industrial land: \$2.70 to \$62 per square meter

low labor costs and high productivity; an attractive regulatory framework and tax incentives; liberal, market-oriented economic policy; political stability and smooth labor relations; and high growth in domestic and regional markets.

A recent study found that the most frequently mentioned positive aspects of investing in Malaysia by current foreign investors are the high motivation and qualification of staff on all levels, from trained workers to management level executives; trouble-free labor relations; excellent infrastructure, including telecommunications, energy, transport, water and electricity; and the flexible and business-oriented administration, which investors described as efficient and "clean."

Investors also mention the excellent economic outlook of the region and the encouraging development of all regional markets.

Nevertheless, while Malaysia has had great success in attracting Asian investment, the record for attracting investment from Europe is not as good. Government officials suggest that it is a matter of awareness.

"It is important that potential investors from Europe come to see for

themselves the opportunities and potential in Malaysia, and quickly avail themselves of these opportunities," says Mrs. Aziz. "It makes good economic sense to have one strong foothold in Europe and one equally strong foothold in Asia. And Malaysia can effectively provide the base for the Asian foothold."

Malaysian trade mission representatives say they plan to promote Malaysia as strategically located at the center of the East Asia and the Association of South East Asian Nations regions, where economic growth has been robust over the last decade, surpassing that of developed countries. The ASEAN market alone — which includes Malaysia, Indonesia, the Philippines, Brunei, Thailand and Singapore — has about 340 million people, an emerging consumer market that could become as large as that of the European Community or the United States. Malaysia will be promoted as a distribution and supply center to service the ASEAN and regional markets, or as a manufacturing or assembling base.

"Just as Malaysians should view European countries as an important gateway into the European market," says Mrs. Aziz, "so should European business and industrial communities view Malaysia as an important gateway into the markets of ASEAN and East Asia."

To set the stage, Malaysia has put in place liberal policies regarding foreign equity participation. Key features include allowing foreign equity in the manufacturing sector from a majority share up to 100 percent foreign ownership of projects. Employment of expatriates is permitted where Malaysians are unavailable to fill positions. To safeguard the interest of investors, the policy allows for certain key posts to be permanently filled by foreigners. The country also has liberal exchange-control regulations. Companies can bring in funds for approved



The high quality of the work force is frequently cited by investors.

projects, remit profits and repatriate capital freely.

There are over 170 developed industrial estates and 12 free zones that cater to the needs of export-oriented and high-tech manufacturing companies. The price of industrial land, depending on location, ranges from 7 ringgit to 161 ringgit (\$2.70 to \$62) per square meter.

To attract investors, Malaysia offers a comprehensive set of fiscal and nonfiscal incentives. If an investor is interested in a targeted sector or activity, specific incentives could represent substantial tax breaks.

General incentives include the granting of pioneer status to companies engaging in "promoted activities," which includes tax relief of up to 100 percent in some cases, investment tax and reinvestment allowances. Incentives for export include an export credit refinancing scheme, which provides for short-term credit at preferential rates of interest; abatement incentives; an export allowance; double deduction of export credit insurance premiums and promotion of exports; and an industrial building allowance.

Incentives are also offered for research and development; training; industrial adjustment; small-scale companies; the storage, treatment

and disposal of toxic and hazardous wastes; and for establishing operational headquarters in Malaysia.

Besides these incentives, the government has a tariff protection program in place for deserving industries and allows an exemption from import duty on direct raw materials and components. A drawback of excise duty on parts, ingredients or packaging materials as well as a drawback of sales tax on materials used in manufacture can save investors overhead they might have to pay elsewhere. Likewise, the government offers an exemption from import duty and sales tax on machinery and equipment.

Foreign investors praise Malaysia for the efficiency of the government agencies with which they deal. The primary agency is the Malaysian Industrial Development Authority, or MIDA, which receives, processes and conveys decisions concerning investment for the entire federal bureaucracy, making the agency a "one-stop shop" for the investor. MIDA is also responsible for the evaluation of technical, joint-venture and other licensing agreements and provides a variety of services for investors, from locating joint-venture partners to finding accommodations. T.A.

### European Trade Mission Highlights Low Costs

European investors in Malaysia expect their costs to be less than in Europe, but many are surprised to discover how much less. A recent study found that operating costs in Malaysia were 60 percent lower than for similar businesses in Germany in some cases. That is just one advantage.

A 1992 study by Gesellschaft für Forschung und Entwicklungsprojekte mbH (GFE) concluded that production costs in the light and precision engineering sector in Malaysia were significantly lower than in Germany. Labor, investment, operating expenses, land, buildings and local sourcing of materials, supplies and subcontractor services cost from 90 percent to 10 percent less than the going rate in Germany.

While this study looked specifically at engineering and made comparisons with Germany, results would be similar for other countries and sectors. Compared with most European countries, Malaysia offers a drastic reduction in labor costs, lower investment costs, comparable operating costs and lower costs for locally sourced materials.

But investments from Europe to Malaysia have not kept pace with investment flows from other Asian countries. Malaysian government officials blame this on the global recession and themselves, suggesting they have not had an aggressive enough campaign in Europe to convince businesses there of Malaysia's remarkable cost-effectiveness.

In 1990, European investments in

#### Savings of up to 90% in some areas

Malaysia accounted for only 9 percent of the country's total foreign investment, while Asia and the Pacific region accounted for 85 percent. In 1991, European investments dropped to only 6.8 percent of the total, but in 1992, due to some large projects in the oil-refining sector, Europe's share rose to 36.5 percent. Malaysia Industrial Development Authority officials say they would eventually like to see Europe contribute a steady 30 percent of foreign investment, along with 30 percent from the United States, while the other 40 percent would come from the region.



Rafidah Aziz, minister of international trade and industry.

The current Malaysian trade mission to Europe will visit the Netherlands, which invested \$54 million in 1992 with six projects; Belgium, which had no investments in 1992 and two in 1991 amounting to \$7 million; Denmark, with two projects worth \$5.6 million in 1992; Germany, with \$28 million in investments in 1992 divided among 12 projects; and Switzerland, which in 1992 accounted for seven projects worth \$31 million.

Mission organizers say they are seeking medium- to high-tech projects that suit the maturity of Malaysia as an industrializing nation.

Says Rafidah Aziz, minister of international trade and industry: "Malaysia has graduated out of the category of a cheap labor country and is now established as a profitable manufacturing base for capital and technology-intensive industries that place a premium upon easily trainable and skilled workers with high productivity levels."

These types of projects comprised the case studies and cost calculations of the GFE study, which shows that metalworking, engineering and machine-building projects in Malaysia have low production costs, 20 percent to 50 percent lower than German cost levels depending on the labor cost content of the products and the cost of locally sourced materials and components. T.A.

Tenaga Nasional Berhad (TNB) is Malaysia's power house. A public listed company licensed for the generation, transmission and distribution of electricity supplying about 97 percent of the Peninsula that has propagated from an unpretentious beginning. Whilst gearing towards TNB's long-term perception of Vision 2020, Malaysia has made another impact in the world economic emergence, again by setting examples to other nations in the South-East Asia Pacific region as well as the world in entirety. It is, a *fait accompli*, that Malaysia's productivity is exceptional and her wages are reasonable, thus enabling her competitiveness in international trade. Achieving a rate of nine per cent growth, Malaysia's Gross National Product has reached a high of RM 2,465 per capita (USD 1.00 = RM 2.65), three times its worth six years ago.

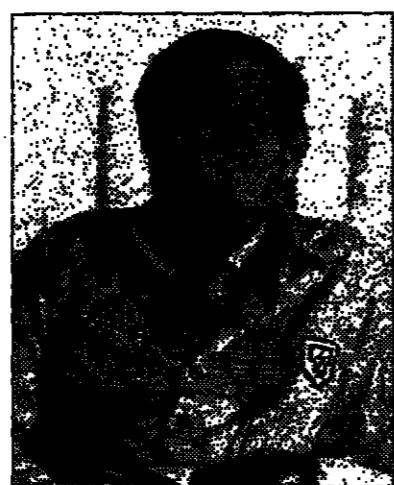
Privatisation is Malaysia's means of access to the portentous economic inflation, and TNB governs the market capitalisation handsomely among the various tabulated corporations listed in the Kuala Lumpur Stock Exchange (KLSE). TNB's listing on the KLSE in May 1992 was the biggest offer in Malaysia's corporate history. Subsequently, all eyes were set on Malaysia. Profits in the making and talking stimulated investors from around the globe to study Malaysia's earnestness in international business. TNB's position as an existing force and prime source of sustenance throughout the Peninsula has placed the country in the forefront again. TNB plays the cardinal role in the economic development of Malaysia, by providing the necessary infrastructure and continuously meeting clients requisitions for electricity safely, reliably and economically whilst meeting the needs of the shareholders.

The electrical power system operated by TNB is vertically integrated. It covers the three principal components of electricity supply - generation, transmission and distribution. TNB's 14 major power stations in the Peninsula have an installed capacity of 5589 MW. The company has diversified the generation mix to reduce dependence on imported fuel by augmenting Malaysia's natural resources of gas, coal, oil and hydro. TNB has also enhanced the utilisation of gas supplied by Petronas, Malaysia's national oil corporation as it is more environmentally propitious.

## TENAGA NASIONAL BERHAD - MALAYSIA'S ELECTRIC KEY TO WORLD ECONOMIC EMERGENCE



TNB's total installed capacity in 1992 at 5652 MW chalked up revenue sales of RM4089.8 million, an increase of 16 per cent over the previous year. Profit before tax more than doubled to RM1414.7 million while fixed assets stood at RM14,966.8 million.



Dr. Anil bin Aroop, Executive Chairman, Tenaga Nasional Berhad

competitive and indigenous, hence reducing forex exposure in raw material sourcing. TNB has enhanced the usage of gas from vacuum in 1980 to 32 per cent in 1992 whilst oil has been reduced from 61 per cent in 1970 to a low 39 per cent in the same year.

The main voltage level of TNB's transmission systems are 275kV, 132kV and 66kV. The 132/275kV spans the whole of Peninsular Malaysia with a close loop, connecting the major load centres to power stations forming the National Grid. TNB's transmission system is interconnected with the Electricity Generating Authority of the Kingdom of Thailand and the Public Utilities Board of Singapore. These interconnections ensure optimal manipulation for the respective utilities and also provide mutual support during exigencies.

The distribution system of TNB covers voltages of 33kV and below. The network is divided into six regions - North, Perak, Selangor, Federal Territory, South and East with a total of 115 customer service stations.

With over 3.3 million clients extensively codified as residential, commercial, industrial, mining and public lighting to serve, TNB has developed a broad and reliable power system and is confident for the uncertainties ahead. The industrial sector encompasses 51.7 per cent of TNB's total sales whilst the export zone takes up only 0.4 per cent of the total sales in GWh - whereas the domestic sector encircle 87.4 per cent as to 0.31 per cent of the industrial belt in relation to the number of customers.

For the Financial Year ending 31 August 1992, TNB is faring exceptionally well. TNB's total installed capacity in 1992 at 5652 MW chalked up revenue sales of RM4089.8 million, an increase of 16 per cent over the previous year. Profit before tax more than doubled to RM1414.7 million while fixed assets stood at RM14,966.8 million.

With electricity being client preferred to other natural resources, the demand for electricity has a tendency to grow at a faster rate than growth in GDP which is attributed to the rapid growth in industrial sector, demographic factors and technological changes. In Malaysia, the economic boom is being led by the industrial sector for which the utilisation of electricity is highly commanded. TNB is undertaking various projects to meet increasing demand. By the end of the Sixth Malaysia Plan, TNB expects to increase installed generating capacity to

approximately 8500 MW. In the last six months, TNB has been endowed with the challenge of demand exceeding supply during peak hours. However, it is estimated that the impact of these shortages on earnings is not material as the amount of demand lost has been negligible. All possible measures have been taken to rectify the situation and the tightness of the system is expected to be only a short-term matter.

The immediate steps taken to overcome the current situation are expediting the maintenance and repair works, quick planting-up programmes, reviewing and also speeding up the decision-making process.

In the short-term, TNB's plans to launch its *Fast Track Programme* from August 1993 to August 1994 with the objective of improving the current supply situation in the shortest time possible. This programme involves the planting-up of gas turbines of 1500 MW at the existing power stations. By the end of 1993, TNB hopes to increase the reserve margin to above 35 per cent as admonished by the Government's Consultant due to the recent power failure which coalesced it into careful and analysed production. TNB anticipates that by the end of the current year, 600 MW will be added to the current installed capacity of 5589 MW.

TNB's mid-term plans call for the installation of 28 new generating units at the various existing power plants throughout the Peninsula from now until 1997. These new installations are expected to create an additional capacity of 2500 MW.

On the long-term effort to meet the rapidly growing demand, TNB has put up an aggressive development plan which covers up to the year 2000. By then, TNB will add another 8800 MW into the system making a total installed capacity of 14600 MW. The reserve margin in the year 2000 will be expanded to more than 42 per cent. The high reserve margin is due to the introduction of more efficient plants which would allow the scheduled and unscheduled shut-downs and retirement of old and inefficient plants.

On the advent of the Independent Power Producers (IPPs) and in line with its Mission Statement, TNB supports the Malaysian Government policy of introducing positive competition in the industry that had previously been totally monopolised. However, TNB is expected to remain a monopoly in the provision of transmission and distribution services. The emergence of IPPs in a highly capital intensive industry of this nature would complement with TNB's responsibility for generating electricity. It would also lessen the financial burden of TNB to plant-up and the savings in capital expenditure could be used to further improve the other aspects of the Company's operations. This would further enhance TNB's performance and efficiency.



TNB also plans to set up joint venture companies with the few State Governments in Peninsular Malaysia to accretely build, own and operate power plants based on the concept of Associated Power Producer (APP). TNB views this APP synergistic arrangement as a platform that will bring together the needed resources of land, equity and expertise which are not totally available from any single source.

With the climacteric foreseen electricity augmentation and the competition in the electricity supply industry, TNB will arise again to face the challenges in the near future by providing electricity supply reliably and economically whilst maintaining her profitability. While electricity supply is expected to remain TNB's core business for the foreseeable future, the Company will consider opportunities for diversification into areas with good earning potential such as property development.

On the short-term prospect for TNB, the outlook is favourable in view of continuing strong demand growth contributions from withdrawal of discounts, soft fuel prices and a more stable loan basket. Through aggressive treasury management moves, TNB has been able to reduce its exposure on foreign exchange.

Today, that dream of being a service-oriented entity, providing value for money and duty bound as an environmentally responsible corporate citizen, as well as an attractive investment scope, has materialised. TNB's goals of being acknowledged through their quality of operation and clientele service as the most attractive proffer in the industry as well as a secure and reliable supplier of

## Exchange Aspires To Global Status

There is a long line to use the computer in the lobby of Malaysia's Shangri-La Hotel to check stocks listed on the Kuala Lumpur Stock Exchange. For those in a hurry, there is always the telephone — a voice announcement service gives current share price information to callers. There is also a slightly delayed ticker on television as well as weekly television, radio and newspaper series on "saham," or "stocks."

Since 1990, when ties to the Singapore exchange were cut, the pace of listings has made the Kuala Lumpur Stock Exchange (KLSE) a serious market, the largest in Southeast Asia. Malaysians from all walks of life are investing, although institutional buyers still dominate. Market capitalization is close to \$100 billion; only South Korea, Taiwan, Hong

### Privatization has boosted the bourse

Kong and Japan outweigh the KLSE in Asia.

Malaysia's strong economic performance and the slim pickings in other regional markets are factors that have pushed the KLSE's composite index to record levels. The index broke the 650 level on Nov. 3, 1992 (surpassing the previous record of 635 set in May of 1991) and reached 660 on Nov. 9 before backing down.

Privatization has also boosted the bourse. When the giants Telekom Malaysia and the national electric company Tenaga were listed in May 1992, they added 50 billion ringgit (\$19.3 billion), or 25 percent to the market's total capitalization.

On March 1, Malaysia's new Securities Commission (SC) came into being — just in time, according

to analysts, to rescue Malaysia's fragmentary regulatory system from losing whatever grasp it had on the booming equity market.

Prior to the establishment of the SC, four agencies were involved in regulation and policy: the Registrar of Companies (ROC), the Foreign Investment Committee (FIC), the Capital Issues Committee (CIC) and the Takeover Panel (TOP). The CIC and TOP have been superseded by the SC, but the ROC will continue to have some responsibilities, and the FIC has been left untouched for the time being.

"There is [bound to be] resistance to change in the bureaucracy, but the new Securities Commission Act is clear: the SC is intended to be the authority over the securities and futures industry," says the country's first Securities Commission chairman, Mohamad Muar Abdul Majid.

Mr. Muar, 45, has an impressive, eclectic background that includes lecturing at the London School of Economics, being editor in chief of the New Straits Times and, since 1986, chief executive of Commerce International Merchant Bankers Bhd. Last year, he was the third-ranked merchant banker in Asia, according to



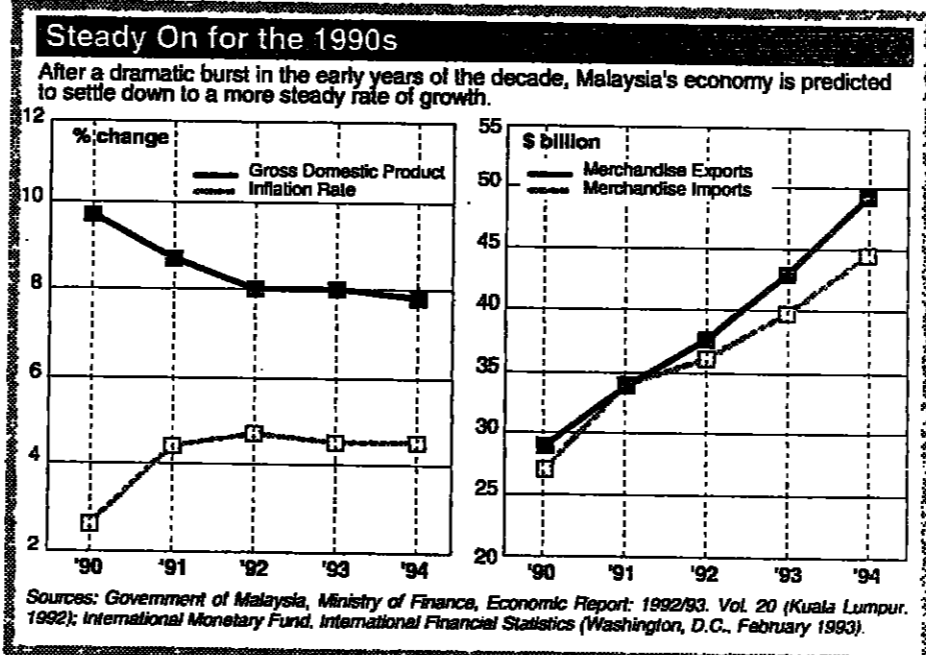
Asian Money and Finance. This is his first brush with the public sector.

He is recruiting his staff from both the private and public sectors.

Meanwhile, the move to fully computerize the KLSE is ongoing. Scripless trading has been initiated and will be gradually phased in, while conversion to complete automatic trading took place late last year.

"When compared to other developed markets, we are learning," says Saleh A. Majid, the general manager of the KLSE. "We have a simple mission: to be a world-class stock exchange."

Foreign buyers seem impressed. In 1992, foreign investors were net purchasers (23.3 billion ringgit purchases against 20.7 billion ringgit sales), and heavy foreign interest is expected to help certain companies reach the statutory 30 percent limit of foreign ownership. Most foreign brokers watching Malaysia expect the index to reach 700 and predict per-share earnings growth of 14 percent to 18 percent this year. When adjusted



for inflation, this could mean real earnings per share of 10 percent. Earnings growth was about 20 percent in 1991, and 14 percent in 1992.

"With the proposed reduction in the corporate tax rate to 34 percent and the abolishment of the 2 percent development tax, we are revising upward our earnings estimate to 14.7

percent in 1993," writes Gary Tan of Merrill Lynch and Co. "Positive economic outlook, respectable corporate earnings growth and stable government warrant additional weighting in the market."

Malaysia is also expected to set up an options and financial futures exchange in the near future with the

passage of the Futures Industry Act on March 1. "What will happen next?" asks Mr. Muar. "These are exciting times. Professional money managers will come in: over the next five years a lot of new products will be around — we will have to make sure investors are protected."

T.A.

## Investors Favorable To Budget Changes

Investors have reacted positively to Malaysia's 1993 budget, which calls for more fiscal accountability. In fact, the budget was well-received across a wide spectrum of interests.

Malaysia's 1993 budget is clearly anti-inflationary, provides for modest cuts in personal and corporate tax and puts emphasis on infrastructure and improved revenue collection, but does not include substantial additional taxes, which had been expected. Instead, food subsidies and other measures were included to fight inflation, which was expected to decline marginally to 4.5 percent in both 1993 and 1994, according to Asian Development Bank economists.

The budget also abolished a development tax of 2 percent on foreign investment.

The Kuala Lumpur Stock Exchange's composite index soared a record 637.13 points on Oct. 29, based on advance news of the budget, which was made public the next day.

The budget calls for conservative fiscal operations reflecting Malaysia's cautious economic management, a strategy that many experts believe is partly responsible for the country's sustained growth. The total expenditure of 44 billion ringgit (\$17 billion) represents a decline of about 8 percent from the 1992 budget: operating expenditure has been set at 32.3 billion ringgit (8.4 percent lower than 1992), and development expenditure is set at 11.8 billion ringgit (7.4 percent lower than 1992).

The Malaysian government's emphasis on continuing to improve the country's infrastructure, already superior to that of many of its neighbors, is reflected in the budget.

There will be expenditure on large projects such as the new 20 billion ringgit airport, facilities for the upcoming Commonwealth Games and the 6 billion ringgit north-south highway.

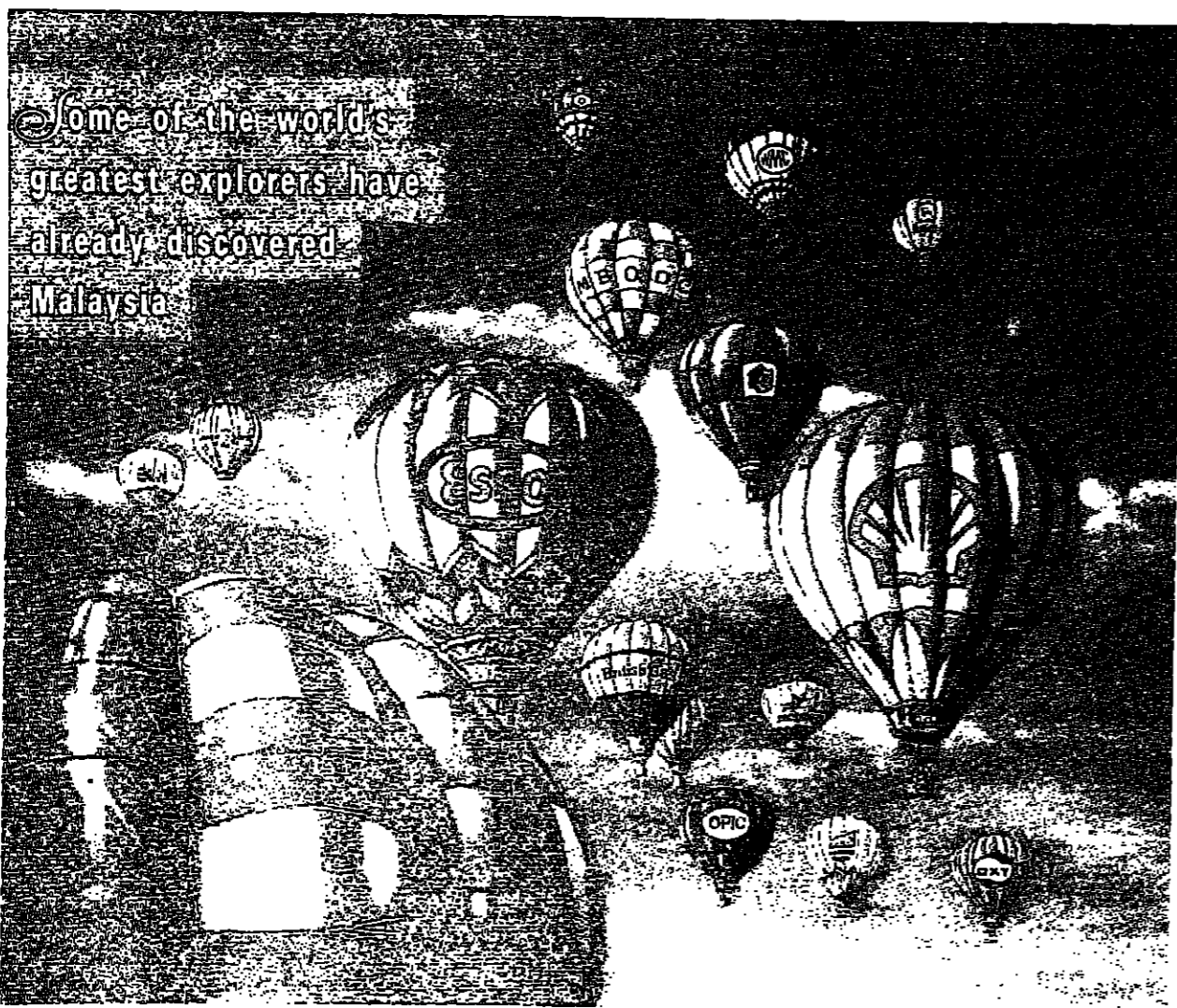
Work will begin on a light railway transit system this year. The project is being carried out on a build-operate-transfer basis with European companies, which will hold a 60-year concession on the railway before turning it over to the government.

Federal government revenue is expected to increase to 39.1 billion ringgit in 1993, from 38.1 billion in 1992. The extra funds are to come from various sources, such as a 5 percent levy extended to cover services and the doubling of excise duties on cigarettes and alcohol. The employment provident fund contribution is to be increased by 1 percent for both employers and employees.

The government, however, has chosen to give corporations a break and has lowered corporate tax rates from 35 percent to 34 percent and has also lowered individual income taxes.

Clearly, one of the goals of the budget is to rein in inflation. Because a shortage of certain domestic foods was thought to have fueled inflation in the past, a 300 million ringgit fund has been established for credit facilities to finance food production. Import duties on 600 items are to be abolished or reduced by 10 percent to 30 percent.

T.A.



In the early days when Malaysia was known as the Garden of Spices, seafaring explorers and traders came to her shores in search of silk and spices.

Today, the search continues. Some of the world's largest and most successful international oil companies are busy exploring for hydrocarbon in Malaysia.

PETRONAS, as Malaysia's national oil corporation, has to date signed more than 30 production-sharing contracts with a good

mix of international oil companies. Those who have been here for some time have found Malaysia a good place to do business.

Our plus points, we've been told, are our professionalism and our very positive attitude towards foreign investment as well as our country's political stability and good infrastructure.



## MBf CAPITAL BERHAD 1992 RESULTS

### FINANCIAL HIGHLIGHTS

For the year ended 31st December 1992

	RM (Million)
Turnover	1,065
Profit Before Tax	166
<b>Per share</b>	
Earnings	0.15
Net Tangible Asset	1.01
<b>At year-end</b>	
Issued & Paid-up Share Capital	739
Loans & Advances	6,772
Deposits	7,918
Assets	9,879

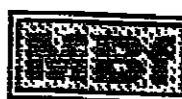
No comparative figures are shown as this is the first year of operations.

Financial year 1992 marked the birth of MBf Capital Berhad, the financial services arm in the MBf Group of Companies. The range of financial services includes term and consumer loans, deposit taking, hire purchase, project financing, negotiable certificates of deposits, block discounting, mastercard, mastercard travellers cheque, stockbroking, leasing, factoring, insurance, venture capital, unit trust and trustee services. MBf Capital Berhad was listed on the Kuala Lumpur Stock Exchange (KLSE) on 15th January 1993.

## MBf CAPITAL BERHAD

Incorporated in Malaysia

Registered Office: 21st Floor Plaza MBf, Jalan Ampang, 50450 Kuala Lumpur, Malaysia  
Tel: (603) 2618000, 2616533 • Fax: (603) 2618005, 2613280



مركز الأصل

ADVERTISING SECTION

ADVERTISING SECTION

# Sustainable Management Is Major Concern For Forestry

The tropical forests of Malaysia are among the best-managed in Asia, according to international forestry experts. Malaysia, which together with Indonesia accounts for 80 percent of all tropical timber exports from Asia, recognizes that sustainable management of its forest resources is both an economic necessity and an ecological responsibility.

Malaysia has developed a set of forestry policies that balance environmentalism and industry, but this initiative may go unappreciated if Western countries are able to restrain forest product trade.

Malaysia would face problems with its export of hardwoods if a well-meaning but indiscriminating campaign to discourage consumers from purchasing products made from any species of hardwood, regardless of the process used to harvest it, is successful.



Theory (left) and practice (right) at the Forest Research Institute Malaysia, one of the leading forestry institutes in the world.

The governments of several Western countries are considering unilaterally restricting imports of timber and wood products from developing countries that have not grown their trees in "environmentally friendly" ways. But restrictions, tariff increases and the requirement to label all tropical wood products as such are expected to also penalize countries, such as Malaysia, that have made great strides in sustainable forestry management.

"I am not against labeling," says Salleh B. Mohamad Nor, director-general of the Forest Research Institute Malaysia, one of the world's leading forestry institutes, "but labels can be discriminatory. And if the idea is to label some wood as coming from 'sustainably managed' forests, who is to judge what is 'sustainable'? Mechanisms have not yet been developed to determine whether a piece of tropical wood comes from sustainably managed forest or not, as the process of conversion from trees in a forest to logs to lumber to finished product is a complex one."

The move is also questionable in light of the consensus at last year's Rio Earth Summit that multilateral

solutions are needed for environmental problems. Furthermore, it is not clear whether the General Agreement on Tariffs and Trade allows for such mandatory labeling.

Such a campaign does not recognize the subtlety of the tropical hardwood crisis: solutions to deforestation, some industry sources say, do not necessarily include banning all commercial uses of forest resources. To do so would have a serious negative effect on the economies of developing countries.

### Timber imports will cost Asia \$20 billion by 2000

"If you don't harvest, trees die anyway," says Mr. Salleh, who has a doctorate in forestry from Michigan State University and is president of the International Union of Forest Research Organizations. "There is a 2 percent mortality rate per annum, even without intervention. Management enhances the productivity of the forest by removing old trees and allowing young trees to grow vigorously. A dynamically growing forest is good for the global environment because it absorbs more carbon than a mature, overgrown forest."

There is no question that deforestation in Asia has continued at an alarming pace. One-third of Asia is covered with forest, but the proportion is shrinking fast. On the basis of current trends, half the original 725 million hectares will be gone by the turn of the century, according to the World Bank. By 1980, these had already dwindled to about 460 million hectares. Between 1981 and 1985, forests vanished at the rate of about 2 million hectares a year, with the most dramatic declines in India, Nepal, the Philippines, Sri Lanka and Thailand.

Timber has long been an important export for many Asian countries. Forest products generated export revenues of \$8.25 billion in 1988. But, according to the World Bank, Asia is increasingly becoming a wood-deficit region. Based on current trends, imports of timber and forest products will cost the region nearly \$20 billion a year by 2000.



Theory (left) and practice (right) at the Forest Research Institute Malaysia, one of the leading forestry institutes in the world.

ly inexhaustible supply of timber, many Asians felt that forests should contribute to economic growth via logging and conversion to other productive uses. But over the last 15 years, there has been a dramatic shift in attitude. Today, many Asian governments have taken note of the clear implications of continued deforestation and have taken action. For example, the three countries that have accounted for nine-tenths of the region's log exports and revenues — Indonesia, Malaysia and the Philippines — have all restricted log exports. Countries have also adopted other laws that ensure a balance between the conflicting goals of forest policy.

Despite gloomy predictions for the future of Asia's tropical forests, there are ways to slow or reverse the trend. These solutions do not entail a total cessation of the timber trade. Instead, scientists advocate sustainable forest management that couples commercial use based on selective cutting with conservation. Experts say it is possible for Asian timber-producing countries to carefully reassess forestry and land-use policies to ensure that future timber removals will be adequate to supply the needs of both export and domestic markets in a sustainable way.

While there is no set definition of sustainable forestry management, such a program would include bringing unplanned deforestation under control; protecting previously logged forests so that regeneration can proceed unhindered; improving the legal and physical protection of forests in national parks and biosphere reserves; developing and introducing more sustainable systems of forest management than the present selective logging system; and continuing to establish intensive high-quality hardwood plantations, according to Alan Grainger, a scientist who has studied forestry trade extensively

and who is the author of "The Future Role of the Tropical Rain Forests in the World Economy."

"The basic concept is to sustain the resource through time, for the sake of and use by future generations," says Mr. Salleh.

As early as 1966, Malaysia instituted a Land Capability Classification Program. Of the country's 33 million hectares, about 20 million hectares, or 60 percent, is forest and 4 million hectares is covered by plantation-tree crops such as rubber. The rest is used for other crops or is occupied by urban areas.

Of the 20 million hectares of forest, over 70 percent is classified as a permanent forest reserve (subject to sustainable management), 11 percent as national parks, wildlife and bird sanctuaries or protected forests, which are not touched. The remainder is state forest, which is available for conversion to other uses. Recently, Malaysian Prime Minister Mahathir bin Mohamad announced that Malaysia would maintain at least 50 percent of its land as forest — this means not all state forests will necessarily be converted.

The Sungai Tekam forestry concession, a commercial sustained-yield logging concession located in Pahang, West Malaysia, has been the site of various studies. It is not part of a protected area. The forest is a typical hill forest of which 3 percent to 5 percent is not logged. Undisturbed patches at Sungai Tekam are used as concentrated food sources by various birds such as hornbills and green pigeons, but these birds also range widely over logged areas. Studies are continuing at the site but results so far indicate that few species are lost by logging 18 trees per hectare, which results in a total removal level of 51 percent trees removed.

# Powerhouse Conference On Trade And Growth This Fall

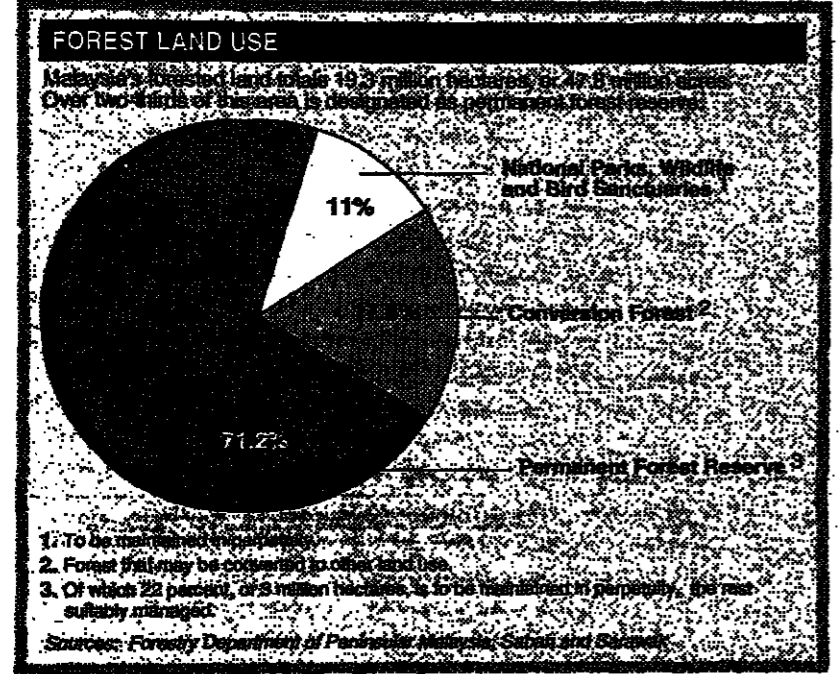
Malaysian Prime Minister Mahathir bin Mohamad will head the list of speakers at a major forum on trade and investment opportunities in Malaysia to be held in Kuala Lumpur Nov. 15-16, 1993.

The conference will coincide with the completion of the Malaysian government's current trade and investment missions to Asia and other areas around the globe. Among subjects to be covered during the two-day event at the Shangri-La Hotel are investment potential, import-export policies, economic deregulation, denationalization and privatization. Other topics include fiscal and monetary incentives and Malaysia's role as a hub for international trade.

### Roundtable talks with trade officials

On the agenda are roundtable discussions with senior Malaysian government officials, including International Trade and Industry Minister Rafidah Aziz, Finance Minister Anwar Ibrahim and Primary Industries Minister Lim Keng Yaik, as well as plenary sessions with private-sector industrialists.

Top management personnel from the business and financial sectors of Malaysia, as well as political leaders and senior media correspondents, will be in attendance. The conference is being organized by the International Herald Tribune in cooperation with the Malaysian Industrial Development Authority (MIDA) and the Institute of Strategic and International Studies (ISIS). For information contact Justin Smith at the IHT conference department in Hong Kong, Fax: (852) 861-3073. Joseph R. Yogerst



# What Malaysia Has to Offer Investors

Continued from Page 7

expect to have solved the problem by the end of the year. In addition, the first phase of the Peninsular Gas Utilization Project is completed; natural gas resources from the north now reach Johore in the south via a pipeline. The second stage — getting the gas across to the west coast — is ongoing. The project is on schedule, and there are no problems. The major factor that caused the power problem was unexpected large inflows of investment. It's a pleasant situation to be in.

**What has happened with Malaysia's privatization efforts? Is privatization on schedule?**

Yes. In fact, it is through privatization that we are solving the power problem you just mentioned. Tenaga Nasional Bhd, our national power company, signed an agreement last month with a private construction and property company allowing the company to build, own and operate two power stations with a combined maximum capacity of 1,170 megawatts. This company will be Malaysia's first independent producer of power. Tenaga, in fact, has been recently privatized. It is now only 70 percent owned by the government and is listed on the Malaysian stock exchange.

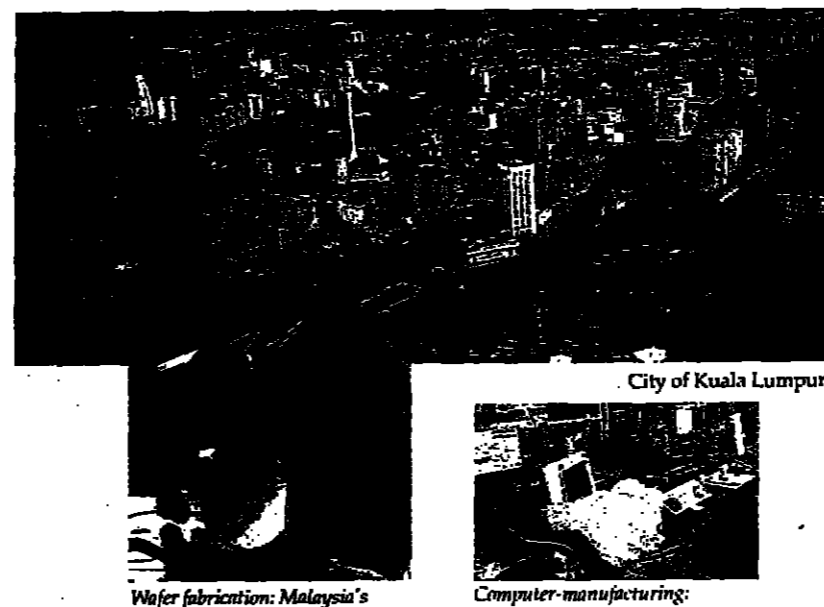
**What does MIDA have to offer the investor? What could a European company expect if they contact MIDA for assistance?**

MIDA can solve problems for potential investors. For example, smaller companies often lack the capital to start operations here. We can seek Malaysian joint-venture partners for foreign investors. We maintain a list of Malaysian firms seeking foreign partners. We can cut down on the bureaucracy for investors. MIDA has what we call a "one-stop shop" where we handle all the paperwork. We also have Italian, German and French staff assisting with everything.

MIDA Contact Numbers:  
Paris, Tel.: (33 1) 47 27 66 96. Fax: (33 1) 47 55 63 75  
Cologne, Tel.: (49 221) 124 007. Fax: (49 221) 136 198  
Milan, Tel.: (39 2) 66 98 46 14. Fax: (39 2) 66 98 47 49  
Stockholm, Tel.: (46 8) 679 5990. Fax: (46 8) 611 3190  
London, Tel.: (44 71) 409 0411. Fax: (44 71) 493 8804  
New York, Tel.: (1 212) 687 2491. Fax: (1 212) 490 8450  
Chicago, Tel.: (1 312) 787 4532. Fax: (1 312) 787 4769  
Los Angeles, Tel.: (1 213) 621 2661. Fax: (1 213) 620 8659  
Kuala Lumpur, Tel.: (60 3) 255 3633. Fax: (60 3) 255 7970 or (60 3) 255 0697. Interview by T.A.

# MALAYSIA Powerhouse Of The Nineties

MALAYSIA HAS THE ABILITY TO COMPETE INTERNATIONALLY



**Weyer fabrication: Malaysia's technological capability**

**Computer manufacturing: Keeping pace with the best**

**Rubber-based goods: Indigenous technology at its best**

**A Strategic Location**  
Malaysia commands a strategic position in one of the most dynamic regions of the world: The Asia Pacific region.

**Situated in the heart of Asia, Malaysia offers the perfect location for corporations seeking growth in the Asia Pacific region.**

**Political Stability**  
Since its independence in 1957, Malaysians have voted the same government into power through a democratic system.

**A Strong Manufacturing Sector**  
▲ This sector achieved the highest growth rate of 21.7% per annum, with its contribution to GDP rising from 18.4% in 1980 to 28.1% in 1991.

▲ Exports of manufactured goods increased from 21.9% in 1980 to 65% in 1991.

**The Result: A strong Economy.**  
Malaysia has achieved consistent growth over the years. In 1991, Malaysia achieved a real GDP growth of 8.8% - one of the highest in Asia. Inflation is carefully controlled - currently a low 4%.

**More advantages for the investor**

- ▲ Incentives - Liberal incentives for investment are a pragmatic part of Malaysia's growth goals.
- ▲ Infrastructure - Malaysia is accessible to the markets of the world via an efficient network of airports and seaports, as well as through developed infrastructure facilities within the country. The

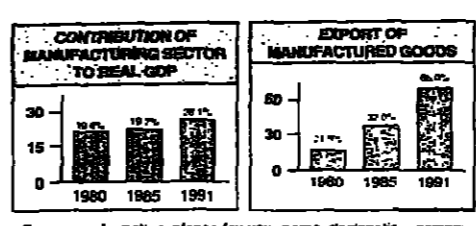
**government plans to spend another US\$10 billion on infrastructure over the next five years.**

▲ Skilled labour force - Malaysia has a labour force that is unmatched in the region. The workers are highly-skilled, well educated, productive and are proficient in English as well as other languages.

▲ Low Production Costs - A recent study shows that production costs in Malaysia are 30 - 40% less than in developed countries.

**Where is the Potential?**  
The development of high-technology industry is Malaysia's goal for the 1990s. Potential also exists in the resource-based industries, the ancillary and supporting industries and the agro-based sector.

**Make your investment profitable.**  
Indeed, some 3,000 international manufacturing firms are doing so right now, in Malaysia.



For more information, please list your name, designation, company address etc. to:

Malaysian Industrial Development Authority (MIDA), Wisma Djarumans, Jalan Semantan, 50720 Kuala Lumpur, Malaysia. Fax: 603-2550897. Tel: 603-2553533

MIDA London	MIDA Cologne	MIDA Stockholm	MIDA Milan
Tel: 408-0411	Tel: 124-007	Tel: 679-5990	Tel: 36-2-69861886/69361839
Fax: 493-8804	Fax: 136-136	Fax: 611-3190	Fax: 36-2-4702872



## ADVERTISING SECTION

## Climbing the Rankings of The World's Top Exporters

Malaysia and Britain have one thing in common: the same new car now showing the fastest-growing market share. It is the Proton Saga, Malaysia's national car and winner of the 1992 British International Motor Show Gold Medal.

Last year, Proton exported 18,800 cars, 16,423 of them to Britain. Of the nearly half a million Proton Sagas that have rolled out of the factory in Malaysia, more than 60,000 have been exported.

The Proton Saga, the result of Malaysia's National Car Project, is a good example of Malaysia's suc-

### Exports in 1992 totaled \$40 billion

cess as a base for manufacturing. The National Car Program has produced an excellent-quality, affordable car and has spawned a booming domestic engineering and components sector.

Proton is also part of the reason Malaysia is moving quickly up the rankings of the world's top exporters. In 1992, Malaysia ranked 23rd, registering the third-highest export growth at 15 percent, behind Hong Kong's 20 percent and

China's 18.2 percent. The value of Malaysia's exports in 1992 was \$40 billion, up from \$35 billion in 1991, accounting for 1 percent of total global exports, according to the General Agreement on Tariffs and Trade's 1992 annual report.

Proton is a joint venture with the Mitsubishi Corp. There are plans to launch another "national car" company soon, which will also be a joint venture with a foreign car manufacturer.

Since 1983, Proton has earned 67 percent of Malaysia's market for mid-sized cars, against hefty competition from imports. Now Proton is exporting successfully to over a dozen countries. Proton will soon produce a left-hand-drive car, expanding its export potential even further.

Initially, about 17 percent of the car's components were locally produced. That figure is now

up to 75 percent. The total number of component vendors has risen from 17 to 106.

"We not only wanted to produce a good quality, affordable car, but were also interested in spinoffs — engineering services," says Mohamad Nadzmi B. Mohamad Salleh, Proton's deputy managing director for corporate service. "We would like to see more European firms come in. Europe has the technology; we have the markets. Manufacturers can count on the domestic market and re-export their products."

The country's total exports are expected to increase by about 15 percent in 1993 and 1994, according to Asian Development Bank economists, provided the economies of industrialized nations continue to recover. Exports of manufactured goods and oil will benefit the most. Exports are expected to increase faster than imports and, at roughly similar ab-



Top: Proton Sagas roll off the assembly line. Above: a terminal for crude oil, one of Malaysia's chief exports.

solute levels, the trade balance is expected to improve to \$3.2 billion in 1993 and rise further to

\$4.8 billion in 1994. Besides manufactured goods, Malaysia exports crude petroleum, sawlogs,

rubber, crude palm oil and processed palm oil as well as tin and tin concentrates. T.A.

## A Firm Advocate of Free-Trade Blocs in the Asian Region

Malaysia continues to be a strong voice advocating an Asian free-trade bloc. A trade grouping, say Malaysian officials, would provide Asian countries with a forum for discussing trade issues and counteract the effects of the North American and European trade agreements.

Malaysian Prime Minister Mahathir bin Mohamad has been a central figure in the implementation of the ASEAN Free Trade Area (AFTA) and a leading proponent of the controversial East Asian Economic Caucus (EAEC). AFTA is a seminal effort to create a forum in Southeast Asia for trade issues. The agreement links the Association of South East Asian Nations (ASEAN) countries of Malaysia, Singapore, Brunei, the Philippines, Thailand and Indonesia.

The Common Effective Preferential Tariff scheme is the main vehicle for supporting free trade among group members. After 15 years, member countries are required to slash tariffs to less than 5 percent. By the end of that time, AFTA should represent a market of 330 million people. By the end of the decade, the six nations may represent the world's largest economic region, with a combined gross domestic product of \$15 trillion.

When ASEAN launched AFTA on Jan. 1, members admitted the organization still had a long way to go. Citing the seven years of hard bargaining required to create Europe's single market, they have given themselves 15 years to remove regional trade barriers. Malaysian officials have expressed their frustration at the glacial speed of implementing AFTA agreements. They had hoped the group would take stronger measures and implement them sooner.

The country took the lead late last year when it slashed or abolished import duties on 600 products. The move,

announced as part of the 1993 budget proposals, would effectively reduce income from tariffs by \$166 million. Mohamed Sheriff Kassim, secretary of the Ministry of Finance, has gone on record as saying, "We can go to the GATT talks with our heads held high, as we have shown Malaysia is prepared to be more liberal in its trade regime."

The need for an ASEAN free-trade region has been thrown into relief by the creation of NAFTA and the

### Formal agreements between members would open new avenues for trade

European Community single market. While ASEAN nations trade primarily with overseas markets, intraregional trade is on the rise. This growth makes the concept of a regional bloc more appealing. Also, by combining their efforts, ASEAN countries acquire more weight in debating trade issues with other regional blocs.

Observers argue that AFTA countries must develop other meaningful exchanges in order to make AFTA successful. Mr. Mahathir has already proposed greater cooperation in education, communications, distribution and labor agreements.

Even as AFTA lumbers toward the easing of trade differences between ASEAN nations, Mr. Mahathir's government has already proposed a larger and stronger

economic grouping. The East Asian Economic Caucus (EAEC) would bring together Asia's capital-rich newly industrialized countries with the labor-rich southern countries. The result would be a balanced Asian trade giant.

The idea was born prematurely, which was nearly responsible for its death. After suffering through the failure of the General Agreement on Tariffs and Trade talks in 1990, the Malaysian cabinet developed the idea of the enlarged grouping. The concept was released before potential member countries were consulted, resulting in bruised egos all around. Those injuries have since been healed, but an agreement still faces other obstacles.

If enacted, EAEC would include the six ASEAN nations as well as Japan, China, South Korea, Taiwan and Hong Kong. As Mr. Mahathir's vision of EAEC has become clear, some observers have lauded the concept. They argue that if the world is divided into trade blocs, the EAEC represents an opportunity for East Asian countries to band together to support common interests.

Much of the business infrastructure to support the union is already in place. Trade agreements between potential members would serve to strengthen these bonds and open new avenues for regional trade.

Proposed members have a balance that could aid future development. By including capital-rich Northeast Asia with manpower-rich and entrepreneurial Southeast Asia, the grouping could reinforce intraregional cooperation.

Mr. Mahathir said that, if adopted, the EAEC would be "a single voice from East Asia in the defense of worldwide free trade."

Christopher Kuffel

## Business Briefs

• A new joint-venture insurance holding company brings together Sime Darby with the Paris-based AXA group. In Malaysia, the joint-venture group Sime East West Berhad will be known as Sime AXA, while in Singapore, Sime Shield Investment Holdings Pte. Ltd. will take on the name of AXA Sime. Said Claude Bebear, AXA's chairman, and Ahmad Yahaya, executive deputy chairman and group chief executive of Sime Darby, in a joint statement: "The combined strengths of Sime Darby and AXA will create a formidable regional insurance group that will provide the direction for the industry's growth in the near future." The new venture calls for AXA to increase its equity participation in Sime Darby's insurance business. AXA now holds a 50 percent stake in Sime Shield Investment Holdings Pte. Ltd., Sime Darby's non-life insurance business in Singapore, Hong Kong and Thailand, and a 30 percent equity stake in Sime East West Berhad in Malaysia. Sime Darby retains 50 percent interest in Sime Shield Investment Holdings Pte. Ltd. and increased its interest to 63 percent in Sime East West Berhad.

• Proton, the producer of Malaysia's national car, has announced the formation of Persatuan Pembekal Proton (PPP), or Proton Vendors Association. PPP is expected to facilitate interaction among vendors, Proton, the government and foreign investors. The formation of PPP follows the Quality, Cost and Delivery program initiated in March 1992, which aims to improve production methods, quality and safety for better productivity and faster delivery. Currently, 27 vendors are joint-venture companies, with partners from Japan, Germany, Taiwan, South Korea, Australia and other countries. There are 32 technical assistance affiliations between foreign countries and local vendors. Proton's pretax profit last year was 407 million ringgit (\$157 million) on a turnover of 2.2 billion ringgit. A total of 104,000 cars were sold,

surpassing the 1991 record of 87,700. More than 60,000 cars have been distributed to 17 countries since exports began in 1988.

• Tenaga Nasional Bhd. (TNB) has announced an aggressive development plan to increase the country's energy reserves from between 200 and 300 megawatts to a more comfortable level by 1994, and to raise them 50 percent by the year 2000. Recent power shortages as a percentage of electricity supplied have been negligible, according to Mahmud Badri Haji Basri, TNB's general manager (corporate services) and company secretary. The shortfall is a direct result of Malaysia's economic success, according to Mr. Mahmud, who said capacity would remain tight until 1994. The Malaysian government has expedited the building of power plants and has urged consumers to implement conservation measures. TNB also supports the government's policy of introducing competition through the Independent Power Producers scheme. In April, a power-purchase agreement between TNB and YTL Corp. Bhd., a large construction and property company, was signed. YTL could become Malaysia's first independent producer of power.

• The Horizon floor at the Shangri-La Hotel, Kuala Lumpur, is designed for executives who are constantly on the move. Check-in and check-out procedures have been simplified, a personal butler handles unpacking and pressing of clothes, tea and coffee making facilities are provided in the room and personalized stationery is available. A lavish complimentary American breakfast is served in a lounge exclusively for Horizon floor guests, who can also enjoy the use of a Jacuzzi and a fully equipped gym. The Shangri-La Hotel announced the appointment of Michael Brantlett as new general manager on March 8. He was previously general manager of the Shangri-La Hotel, Beijing. T.A.

## European Financing Sources

Several financing institutions in Europe provide financial support for private companies interested in joint ventures in developing countries like Malaysia.

• **European Community:** The European Community Investment Partners (ECIP) scheme provides support for development of the industrial and service sectors of developing countries, including Malaysia. In Malaysia, the financial intermediary is the Commerce International Merchant Bankers Bhd (CIMB). Funding is provided by the EC, while CIMB acts as account manager and financial advisor to the joint venture. The program makes available four facilities. The first are grants of up to 100,000 Ecu (\$82,000) toward the cost of identifying potential projects and partners, and funds for general studies. The second is an interest-free advance of up to 250,000 Ecu for operations prior to launching a joint venture. The third is in the form of either an equity holding or an equity loan by the EC via a financial institution of up to 1 million Ecu to finance capital requirements needed to set up a new joint venture or to renovate or expand an existing project. The fourth facility is an interest-free loan of up to 250,000 Ecu for training and management assistance. Interested parties in Europe can contact the Commission of the European Communities, Directorate-General for External Relations in Brussels at tel. (32 2) 299 0204, fax (32 2) 299 0204. Interested parties in Malaysia can contact Harris Ahmad of CIMB in Kuala Lumpur at tel. (60 3) 261 3411, fax (60 3) 263 2386.

• **Italian Directorate General for Development Cooperation:** The Italian approach is to foster joint ventures as provided for in Article 7 of law no. 49/87, which provides for concessional loans to be given to Italian enterprises for the partial financing of their share capital in joint ventures. Financing may be granted for a maximum of 70 percent of the share capital acquired by the Italian partner, up to a total of 10 billion lire (\$6 million). In Italy, enterprises seeking concessional financing under Article 7 can submit proposals to the Directorate General for Development Cooperation. In Malaysia, interested parties can contact MIDA's Italian advisor, Rosario Centola, at tel. (60 3) 255 3633, fax (60 3) 255 7970.

• **Deutsche Investitions und Entwicklungsgesellschaft mbH (DEG):** DEG fosters cooperation between companies from Germany and other EC countries and those in newly industrialized countries. DEG's assistance takes the form of long-term loans, equity stakes in the capital of the project company, guarantees, assisting with securing additional financing from development banks and consultancy services. For more information contact DEG's consultant, Günther Piper, through MIDA in Kuala Lumpur at tel. (60 3) 255 3633, fax (60 3) 255 7970.

• **Danish Industrialization Fund for Developing Countries (IFU):** IFU specializes in financing joint ventures through the contribution of capital and information on sources of financing. IFU also provides grants for a Danish partner's first visit to Malaysia. The proposal can come from a Danish partner in Denmark or in Malaysia. Further information can be obtained from IFU's head office in Copenhagen, tel. (45 33) 142 575, fax (45 33) 322 524 or from its regional office in Malaysia, tel. (60 3) 248 9076, fax (60 3) 248 4379.

• **The Swedish Fund for Environmental Protection and Control:** This fund promotes the transfer of technology from Sweden. The fund is dispersed as soft loans to enterprises in the manufacturing sector for the acquisition of Swedish machinery and equipment for environmental projects. Activities include those that will reduce, recirculate, destruct or prevent emissions or discharge of residues or wastes that would be detrimental or hazardous to air, water and soil. The maximum loan is \$5 million; interest is fixed at 5 percent per year. The loan period is a maximum of eight years, including grace period. For more information, contact the manager, Business Development Division, Malaysian Industrial Development Finance Bhd, tel. (60 3) 261 1166, fax (60 3) 261 5973. T.A.

When discussing and negotiating world-wide issues, all the

*For your business conference*

required conference facilities can be found at the Shangri-La

*in Kuala Lumpur,*

Hotel, Kuala Lumpur. No wonder leading multi-national

*where else*

clients such as the International Herald Tribune select the

*but the Shangri-La.*

Shangri-La Hotel to host their international symposiums.

**Shangri-La hotel**  
KUALA LUMPUR

Shangri-La Hotel, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. Telex: 30021 SHINGKL.MA. Tel: (60-3) 232 2388. Fax: (60-3) 230 1514.

For reservations and information, please call Shangri-La International or your travel agent.

# Playing the Quality Game for a High-Tech Future

Malaysia's industrialization drive has been so successful over the past decade that despite population growth of 33.7 percent (to 17.5 million), the country still faces a labor shortage—a fact that is forcing the government to turn its attention from labor-intensive to high-technology industries.

"We are not blessed with people," says Yong Teck Ming, executive director of the Berjaya Group, one of the country's largest manufacturing and service companies. "And since we don't have quantity, we'd better play the quality game."

At the urging of Prime Minister Mahathir bin Mohamad, the government is trying to shift the focus of the Malaysian economy from its present concentration on cheap labor and low-tech industries to a higher plateau of invention and expertise in high-technology fields.

Finance Minister Anwar Ibrahim recently announced five sectors of priority in technological development: biotechnology, automatic manufacturing technology, ad-

to help promote our capabilities," says Mr. Tajudin.

The government recently broke ground on the Kulim High Tech Industrial Park in Kedah state, a 1,448-hectare site that will encompass a high-technology manufacturing zone, a research and development center, a university and polytechnic, a training and skills center, housing and a recreation center—an entire futuristic city that is being developed in conjunction with the Japan International Cooperation Agency.

Kulim is seen as the third leg of a

northern growth triangle that also includes Penang and Sungai Petani. Support for the park will come from the international airport, seaport and university in Penang and various industries in Sungai Petani.

Another huge high-tech project is Sungai Buloh, situated in the Klang Valley, 28 kilometers from Kuala Lumpur. The 1,600-hectare site will feature research and development facilities that are integrated with manufacturing companies, as well as homes and a botanical garden. The price tag is 1 billion ringgit, with the first phase to be completed by the middle of this year.

On completion of this project, the Selangor State Economic Development Corporation hopes that Selangor's contribution to the national GDP will increase from the current 54 percent to more than 60 percent by 2010.

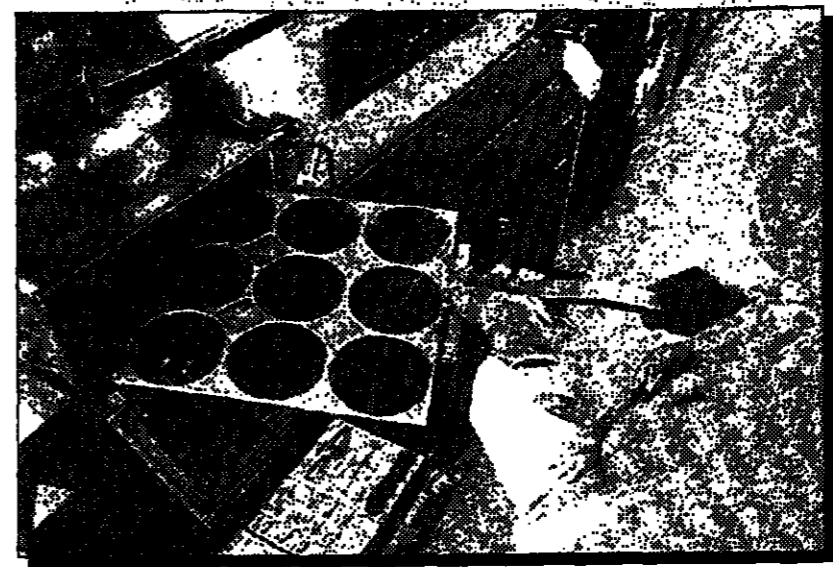
In Johore, an area that is said to be facing a shortfall of 20,000 workers

this year, there are plans for a Johore Technology Park, which will aim at concentrating on specific areas of high-tech industry not emphasized in the other Malaysian technology parks or Singapore.

Other parts of Malaysia are also doing their best to attract less labor-intensive industries. Malacca, for example, has announced that it will offer discounts of up to 50 percent on land leased for high-tech industries.

Malaysia realizes that to be an attractive center for high-technology industries, infrastructure must be a priority. The current budget includes a 12 billion ringgit allocation for the improvement of an infrastructure strained by years of rapid economic growth.

Within three years, the country will have a second telecommunications network with its own satellite and fully operational fiber-optic lines. This will allow private compa-



The wafers coming out of this oven are high tech.

nies now using the national telecommunications company to provide better and more sophisticated services.

"The switch to high technology is certainly on the agenda," says Yong Teck Ming of Berjaya. "It runs par-

allel to our programs for the eradication of poverty and an increase in average income. We are trying to bring about a whole new breed of people to run business and industry in Malaysia."

J.R.Y.

# Malaysia Airlines Upgrades and Expands to Encourage Tourism

Inspired by the success of other Asian carriers, Malaysia Airlines has its sights set on becoming one of the industry leaders over the next decade by upgrading in-flight service and expanding its fleet and route network. At the same time, the airline will be trying to fend off increased competition from U.S. carriers by forging alliances with other Southeast Asian airlines.

"The airline industry is a tough one, especially now," says Kamaruddin Ahmad, managing director of Malaysia Airlines (MAS). "You have to do what you can to get an edge on the competition. But we are getting somewhere. Our staff has worked very hard over the last year and a half to improve service and find out what our customers want."

Malaysia Airlines is also spending money to retain its competitive edge. The airline will invest 10.3 billion ringgit (\$4 billion) over the next five years to acquire 72 new aircraft, replacing every plane in its international fleet except recently purchased 747-400s.

The acquisitions will be financed through a 1.75 million ringgit rights issue approved by the majority shareholders last August, and through bond issues, internal financing and loans. Company coffers are also flush with funds, with a 371 million ringgit profit for the financial year that ended March 31 on top of a 119 million ringgit profit in 1991-92.

The airline is adding to its already lengthy list of international destinations. A new service between Kuala Lumpur and Surabaya, the thriving Indonesian industrial city, kicked off on March 31. By the end of the year, MAS hopes to initiate flights connecting the Malaysian capital with Rome, Dacca in Bangladesh and Cebu City in the Philippines.

Frequency is being increased to a number of cities, including Sydney, Melbourne and London. Meanwhile, two additional Chinese destinations are in the cards.

MAS is upgrading its fleet with the latest in in-flight services and entertainment. Recent innovations include an in-flight satellite telephone service that can connect passengers with any point on the globe, individual video screens with a choice of six channels, a compact-disc-powered music system with stereo sound, and video games.

These high-tech services are currently available in the first and business class sections of flights linking

Kuala Lumpur, London and Sydney, but MAS hopes to have all 747-400s equipped by July.

"The passenger reaction has been very good so far," says Mr. Kamaruddin. "We have people calling in to see if their flight has these facilities. The next step is upgrading economy class with these features. After that, we are exploring the possibility of having a small in-flight business center with fax machines and laptop computers."

Competition from U.S.-based carriers on Pacific routes has forced many Asian airlines to re-examine their marketing strategies. Some have slashed fares, but Malaysia Airlines has decided to fight the competition through an unprecedented frequent-flyer alliance with regional rivals Singapore Airlines and Cathay Pacific.

The airlines are currently forming a separate company to administer the program, which should be operational by the end of this year.

"It's a sign of the times, I sup-



New destinations in Europe and Asia are being planned.

pose," says Mr. Kamaruddin. "We have to be realistic—frequent-flyer programs are very attractive to customers. But I believe that our program is more attractive than similar programs in America because our passengers will be able to make use of their passes on three different airlines."

Meanwhile, the airline is working actively with the Malaysian Tourism Promotion Board to increase the number of inbound visitors. Currently, their joint energy is focused

on a special promotion called Visit Malaysia Year 1994, which will feature many special events and promotions, as well as special airfares like the Visit Malaysia Pass, the aerial equivalent of a rail pass.

"We have adapted a strategy of directly supporting [overseas] tour operators," says Ahmad Bakri Shabdin, director general of the MTPB. "We're in the middle of an intensive sales blitz, bringing tour operators to Malaysia to see what we have to offer."

J.R.Y.

# MALAYSIA Powerhouse of the 90s

A major international conference convened by the International Herald Tribune, the Malaysian Industrial Development Authority (MIDA) and the Institute for Strategic and International Studies (ISIS).

Prime Minister Dr. Mahathir Mohamad, Finance Minister Anwar Ibrahim, International Trade & Industry Minister Rafidah Aziz, and other key members of the Malaysian government will participate in this conference on "Trade and Investment Opportunities in Malaysia." The conference will take place in Kuala Lumpur on November 15-16, 1993.

The conference is co-sponsored by the above organizations

For further information, please contact Brenda Huggery, International Herald Tribune, 63 Long Acre, London WC2E 9JH, England. Tel: (44 71) 836 4802 Fax: (44 71) 836 0717

or Justin Smith, International Herald Tribune, 7th Floor, Malaysia Building, 50 Gloucester Road, Hong Kong. Tel: (852) 861 0616 Fax: (852) 861 3073

**Herald Tribune**

# OUR FORESTS

KEEPING MALAYSIA EVER GREEN

## SUSTAINING OUR HERITAGE FOR THE FUTURE



Since 1901 Malaysia has been leading the rest of the world with her sustainable forest management. It has been attested and confirmed by international organisations such as the International Tropical Timber Organisation (ITTO) and the Food and Agriculture Organisation (FAO) that Malaysia's forest management policy is one of the best amongst tropical countries and even exceeds the standards established in some developed countries.

As the second largest revenue earner, the timber industry in Malaysia also provides direct employment for 160,000 workers. Hence, it does not make sense for Malaysia to destroy her rainforest.

A boycott or other trade restrictions would only lessen the economic value of the forest and would result in increased forest clearing for other purposes. The main cause of deforestation is poverty, the result of slash and burn practices. Malaysia has successfully reduced the problem of rural poverty and shifting cultivation through an on-going systematic development programme.

As a developing country, Malaysia is totally committed in maintaining her forest and ensuring her forestry industry remains sustainable and viable for future generations. The government continuously improves its sustainable forest management through sound and prudent harvesting practices and conservation programmes.

Malaysia is fully aware of the fact that the world's forests are essential in preserving the delicate balance of the global ecosystem and requires a pragmatic global response.

Malaysia calls for a comprehensive and holistic effort to ensure that by the end of the century, at least 30% of the land area on Planet Earth is forested. We in Malaysia will ensure that 50% of our land remains under forest cover.

It is OUR FOREST and we are committed to sustaining our heritage.

**MTTIZ**  
THE MALAYSIAN TIMBER  
INDUSTRY DEVELOPMENT COUNCIL

For more information please contact: The Malaysian Timber Industry Development Council, 98, One Floor Bangunan Arab Malaysia, 55, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia. Tel: 03-2233999 Fax: 03-2386576

# TWO-THIRDS OF THE WORLD'S WEALTH IS AVAILABLE RIGHT NOW!



**ASIA PACIFIC. A US\$3 TRILLION MARKET WITH 1.6 BILLION POTENTIAL CUSTOMERS ACCOUNTING FOR TWO-THIRDS OF THE WORLD'S WEALTH. MAKES SENSE TO TAKE ADVANTAGE OF IT, NOW.**

Sime Darby. Southeast Asia's largest multinational. With more than 80 years experience in the region, widely diversified businesses, market capitalization of over US\$2 billion, a 30,000 workforce plus a comprehensive regional operational network spread throughout the Asia Pacific, Sime Darby will help you talk to the region's multi-lingual and multi-cultural 1.6 billion customers, effectively. **SOUTHEAST ASIA'S LARGEST MULTINATIONAL CONGLOMERATE**



FOR FURTHER ENQUIRIES, PLEASE CONTACT:

THE COMMUNICATIONS DEPARTMENT, SIME DARBY BERHAD, WISMA SIME DARBY, JALAN RAJA LAUT, 50350 KUALA LUMPUR, MALAYSIA. TELEFAX: 03-2987398, TELEX: SDMAL MA 30098.

INDEX

CURRENCY RATES



WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. April 23

Dollar Straights

Table of Dollar Straights with columns for Issuer, Con, Mat, Price, Yld, and Trvy. Includes entries for various governments and corporations.

Governments/Supranationals

Table of Government and Supranational bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

Banks Finance

Table of Bank and Finance bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

High Yielding Debt

Table of High Yielding Debt bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

Global Corporates

Table of Global Corporate bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

Dollar Zeros

Table of Dollar Zero bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

Yen

Table of Yen-denominated bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

Ecus

Table of Ecus-denominated bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

Pounds

Table of Pounds-denominated bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

Canadian Dollars

Table of Canadian Dollar-denominated bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

Deutsche Marks

Table of Deutsche Mark-denominated bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

Floating Rate Notes

Table of Floating Rate Note bonds with columns for Issuer, Con, Mat, Price, Yld, and Trvy.

NEW YORK (AP) -

Following week's trading, the New York Association of Security Dealers... (Market news text)

MUTUAL FUNDS

Figures as of close of trading Friday, April 23.

Table of Mutual Fund prices and performance metrics.

Yen

Table of Yen-denominated mutual funds.

Ecus

Table of Ecus-denominated mutual funds.

Pounds

Table of Pounds-denominated mutual funds.

Canadian Dollars

Table of Canadian Dollar-denominated mutual funds.

Deutsche Marks

Table of Deutsche Mark-denominated mutual funds.

(Continued on next page)



New International Bond Issues

Table listing various international bond issues with columns for Issuer, Amount (millions), Maturity, Coupon, Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupons, and Equity-Linked.

Gold Rise, Refunding Unsettle Outlook

Compiled by Our Staff From Despatches NEW YORK — With one eye on the Treasury's upcoming quarterly refinancing and the other on a worrying rise in the price of gold, the bond market is expected to move little this week, analysts said.

Last week, the bellwether bond, the 30-year Treasury issue due 2023, fell 1/2 point, to 104 7/32, raising its yield to 6.79 percent.

U.S. CREDIT MARKETS

year yield to 308 basis points from 299 a week ago. The relationship is a gauge of inflationary expectations; a widening shows long-term borrowers are demanding an increased premium for tying up their money.

Another worrying sign was a sharp rise in the price of gold, which gained \$6.50 in Friday's trading of April futures contracts on the Commodity Exchange, which it closed at \$346.50 an ounce.

The report on the Treasury debt mix is keeping the market subdued and making people nervous, said Anthony Chan, senior economist at Barclays de Zoete Wedd Government Securities Inc.

The report on the Treasury debt mix is keeping the market subdued and making people nervous, said Anthony Chan, senior economist at Barclays de Zoete Wedd Government Securities Inc.

The Week Ahead: World Economic Calendar, April 26 - 30

Table listing world economic events by date and region, including Australia, Europe, Asia-Pacific, and Americas.

MUTUAL FUNDS table listing various mutual funds with columns for Name, Bid, Ask, and other financial metrics.

SAFRA REPUBLIC HOLDINGS S.A. LUXEMBOURG

NOTICE IS HEREBY GIVEN by the Board of Directors of the Company that the Annual General Meeting of Shareholders of SAFRA REPUBLIC HOLDINGS S.A. ("SRH") will be held at the Hotel Royal, 12, Boulevard Royal, Luxembourg, on May 12, 1993 at 11.00 a.m.

- List of 10 matters for the purpose of considering and voting on the following matters: 1. Chairman's Statement, 2. Statutory Auditors' Report, 3. Approval of the parent company only unconsolidated financial statements for the year ended December 31, 1992, etc.

NOTES: Any shareholder whose shares are in bearer form and who wishes to attend the Annual General Meeting must produce a depositary receipt or present his share certificates to gain admission.

BONDS: Rate Cuts Fail to Aid French, German Issues

(Continued from first finance page) substantial portion of the proceeds into yen. McDonald's 1 billion francs of 10-year bonds carrying a coupon of 7 1/2 percent and priced to yield 50 basis points over benchmark levels.

BANK: Using the Art of Confusion

(Continued from first finance page) it was en route to a strong recovery. But that was short-lived. Traders said the Spanish central bank used the advance to sell dollars and build up its war chest of marks to defend the peseta, which faced pressure in the EC's exchange-rate mechanism.

Euromarkets At a Glance

Table showing Euromarkets yields for various currencies and maturities.

Weekly Sales

Table showing weekly sales for various commodities and currencies.

Libor Rates

Table showing Libor rates for various currencies and maturities.

Last Week's Markets

Table showing market performance for various indices and currencies from April 19 to April 23.

\* Union Bank of Switzerland, Bahnhofstrasse 45, 8021 Zurich \* Union de Banques Suisses (Luxembourg) S.A., 36-38 Grand-Rue, 2011 Luxembourg \* Republic National Bank of New York, 30 Monument Street, London EC3R 8NB

Handwritten note: 02/1/20/520

MUTUAL FUNDS

Table of mutual fund data including fund names, share classes, and performance metrics. Includes sub-sections like 'Mutual Funds' and 'Mutual Funds (Continued)'.

NASDAQ NATIONAL MARKET

Main table of NASDAQ National Market data, organized into columns A through M, listing various stocks and their trading information.

(Continued on next page)



MONDAY SPORTS GRAND PRIX

Prost Puts Squeeze on Senna With Easy Victory in San Marino Race

United Press International
IMOLA, Italy — Alain Prost of France extended his record of Formula One victories to 46 Sunday with a resounding triumph in the San Marino Grand Prix and put himself back on course for winning a fourth world drivers' title.

hour, 33 minutes, 20.413 seconds for the 61-lap race of 307.440 kilometers (191.034 miles). He is just two points behind Ayrton Senna of Brazil in the drivers' standings. Senna spun off the track at Imola on lap 43.

Senna had opened up a 22-point lead after back-to-back victories in the Brazilian and European Grands Prix, but had been helped out when both races were run in the rain.

of motor racing. It's been a very disappointing day." Senna's hopes of winning three straight were lifted when there was a light shower before the start of the race. But as the track began drying out, the Williams Renaults showed superiority.

Senna's teammate, Michael Andretti of the United States, failed to finish for the fourth time in as many Grand Prix starts. He was running fifth when he slid out on lap 33.

Schumacher, who had been fourth in the early stages, moved up to second as Hill and Senna departed and was one of just six drivers from the original 25 still left on the track when Prost crossed the finish line.

SCOREBOARD

Major League Standings

Table with columns for Team, W, L, Pct., GB. Includes American League East and West divisions.

National League Standings

Table with columns for Team, W, L, Pct., GB. Includes National League East and West divisions.

Friday's Line Scores

Table with columns for Team, W, L, Pct., GB. Lists scores for various MLB games.

Saturday's Line Scores

Table with columns for Team, W, L, Pct., GB. Lists scores for various MLB games.

Japanese Leagues

Table with columns for Team, W, L, Pct., GB. Lists scores for Japanese baseball leagues.

San Marino Grand Prix

Results Sunday from Imola, Italy. 41 laps (307.440 km) circuit. 1. Alain Prost, France/Williams-Renault, 1 hour 33 minutes 20.413 seconds.

Stanley Cup Playoffs

Table with columns for Division, Team, W, L, Pct., GB. Lists NHL playoff results.

Auto Racing

San Marino Grand Prix results and other racing news.

Transactions

Baseball: N.Y. Mets - Pat John Francis pitcher on 15-day disabled list; retroactive to April 17.

Tennis

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Cricket

West Indies vs Pakistan, Second Day. West Indies 1st Innings: 455 all out.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

Baseball

LA Lakers - Pat Anthony Peeler, guard, on injured list; Activated Alex Blackwell, forward, from injured list.

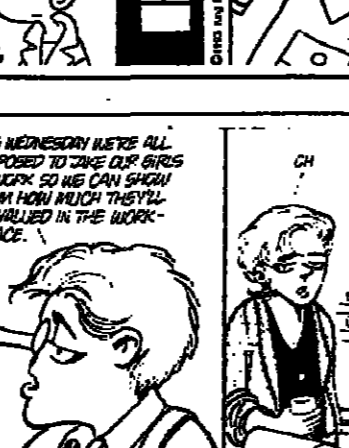
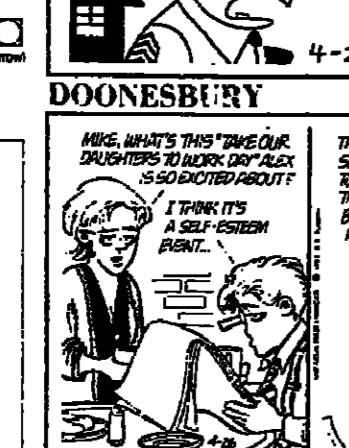
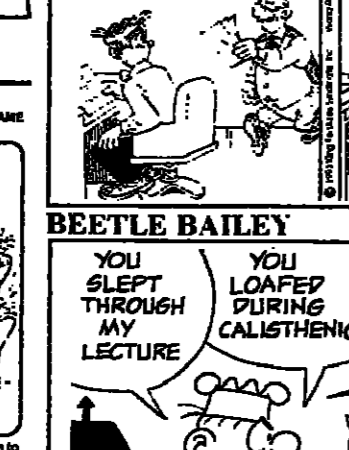
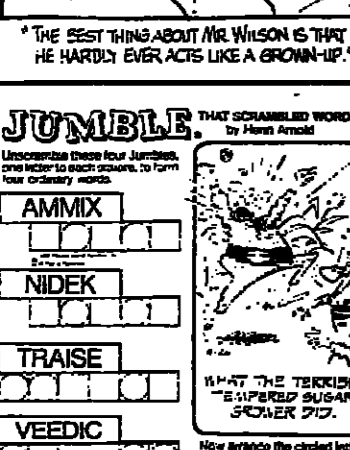
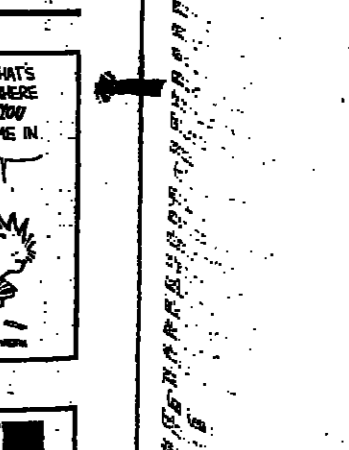
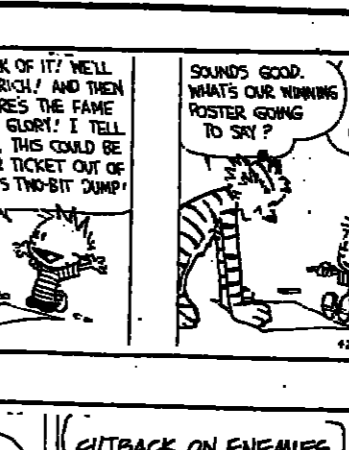
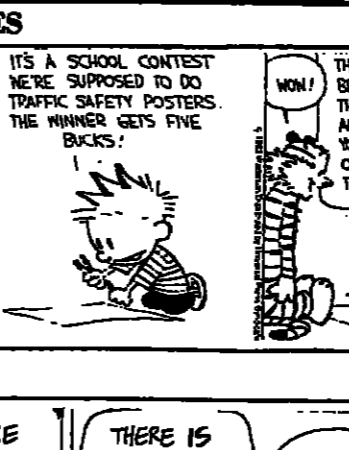
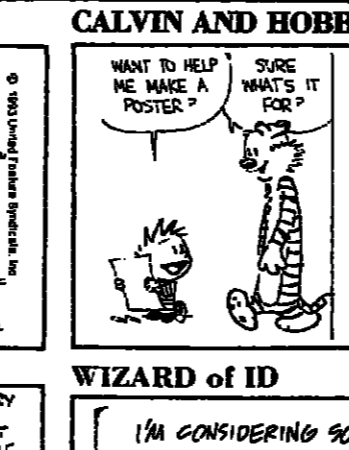
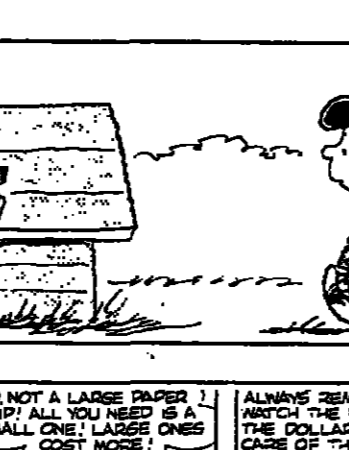
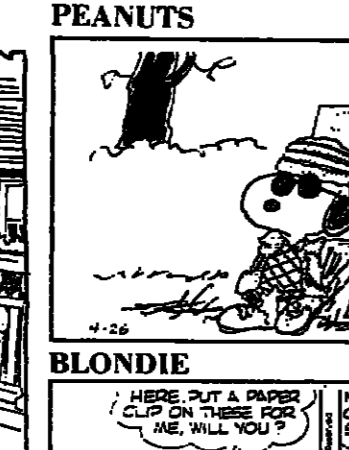
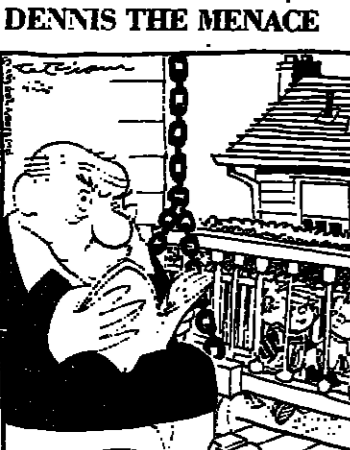
Handwritten Arabic text: لا اله الا الله

SPORTS Betterback



GENEVY BURNS

Links Beat Bull



TO OUR READERS IN SWITZERLAND

It's never been easier to subscribe and save. Just call our Zurich office toll free: 155 57 57 or fax: (01) 481 82 88

MONDAY SPORTS FOOTBALL

Quarterbacks Bledsoe and Mirer Taken 1-2 in the NFL Draft

Compiled by Our Staff From Dispatches NEW YORK — Drew Bledsoe, the strong-armed quarterback from Washington State University, was picked first in the National Football League draft Sunday by the New England Patriots.

ing to get Bledsoe, a home-state product, settled for Mirer. It was the first time since 1971 that two quarterbacks headed the draft. Twenty-two years ago, Jim Plunkett, Archie Manning and Dan Pastorini went 1-2-3.

New York then took Jones, prompting a loud cheer from the fans. Jones could be the impact defensive player the Jets have lacked for years. "I heard them," Jones said. "They were excited and so was I."

American from Washington, for Atlanta. The Falcons lost two guards, Bill Frierie and Houston Hoover, through free agency, and Mike Kean, a tackle, is nearing the end of his career.

potentially dominant lineman who must work hard to improve his technique. The Eagles received Houston's first (19th overall) and third-round selections. Philadelphia was awarded the 13th pick as compensation for losing Reggie White, a defensive end who left as a free agent.

The San Francisco 49ers traded the 18th pick — acquired from Kansas City for Joe Montana — to Phoenix, and the Cardinals selected a South Carolina offensive tackle, Ernest Dye. Dye, at 317 pounds (144 kilograms), may have weight problems, however. The 49ers received the 20th overall pick and the Cardinals' fifth-round pick for the 18th selection.



Brad May, left, and goalie Dominik Hasek celebrated after May's overtime goal completed the Sabres' stunning sweep of the Bruins.

Devils, in Clutch, Stymie Penguins

The Associated Press EAST RUTHERFORD, New Jersey — The Pittsburgh Penguins' National Hockey League-record 14-game playoff winning streak was halted Sunday as the New Jersey Devils averted a first-round sweep by defeating the two-time Stanley Cup champions, 4-1.

4-52, with Lemieux's tripping infraction at 4:52 giving New Jersey a two-man advantage for 53 seconds. Thirty seconds later, Richer took a pass from Bruce Driver in the left faceoff circle and one-timed it by Tom Barraso.

STANLEY CUP was given a five-minute major and a game misconduct for a high-sticking penalty against Valeri Zhelepuhin with 2:16 left in the second period.

5-3 deficit, and without goalie Grant Fuhr, who left the game after the first period with a bruised right shoulder.

Germany Burns U.S. in Opening Period

Compiled by Our Staff From Dispatches Germany scored five times in the first period, including a fluke opening goal, and held on to beat Team USA, 6-3, Sunday in the Pool B finale in the World Hockey Championships in Dortmund, Germany.

Finland in Wednesday's quarterfinal. Kevin Dineen put the Canadians in front for good at 4:28 of the first period when he tapped in a pass from defenseman and Philadelphia Flyers teammate Garry Galley.

hockey in Finland, then fired the Czechs ahead with a shot from point-blank range that went between goalie Markus Ketterer's pads at 5:04 in the third session.

Dortmund, the United States struggled to victory over witness Norway but gained a berth in the quarterfinals.

Knicks Beat Bulls, Tying Team Record

The Associated Press NEW YORK — The New York Knicks matched their club record of 60 victories with their 20th straight Sunday in Madison Square Garden, where they finished the regular season by beating the Chicago Bulls, 89-84.

lando Blackman scored seven points and Ewing six. The spurt gave the Knicks an 84-75 lead with 3:50 to go, but Chicago got consecutive baskets by Jordan, Grant and Scottie Pippen to close to three points with 1:29 left.

when Orlando had the second-worst record in the league. The Magic began the night tied with Indiana for the eighth and final playoff position in the Eastern Conference, and needed to have Miami beat the Pacers in Indianapolis to get the spot.

The Spurs called timeout with 6.9 seconds left after Ainge missed the second foul shot. Willie Anderson got off a jumper, and David Robinson got the rebound but his last-second shot bounced off the rim.

Advertisement for Tag Heuer featuring a large image of a watch case and the text 'DON'T CRACK UNDER PRESSURE'. The ad includes the Tag Heuer logo and 'SWISS MADE SINCE 1860'.

LANGUAGE

Memories of the Queen's Remembrancer

LONDON — In daily life, William Keith Topley is a brisk and portly judge. Senior Master of the Supreme Court, Queen's Bench Division, and always referred to as Master, and not Judge, Topley, in daily life he wears a well-cut dark suit, adjudicates in wood-paneled chambers, and heads for the golf links when he is done. But on certain days Master Topley dons knee breeches, silk hose, buckled shoes and a full-bottomed horseshair wig topped by a tiny tricorn and becomes a creature out of Lewis Carroll: the Queen's Remembrancer.



Master Topley (right), the Queen's Remembrancer, with Chief Clerk Ian Denyer.

The Queen's Remembrancer does not twitch Her Majesty's sleeve to remind her of a springtime swim-sapping or a dental appointment next Tuesday; his duties are not as occasional as those of the arranger of the Maundy Thursday nasegay or as perilous as those of the Chamberlain who must walk backwards in the royal presence.

MARY BLUME

Remembrancer is a term of great antiquity, the Remembrancer says. He is fond of referring to the mists of time. "I think it's just one who reminds or who causes memories to jog."

The annual duties of the Queen's Remembrancer end this year on May 7 when the verdict of the Trial of the Pyx is rendered. They began in October with the Quit Rents ceremony, which, along with the coronation, is the oldest ceremony in the Kingdom. In between, there are such duties as taking the Lord Mayor of London through his declaration of allegiance, collecting certain debts for the Crown and fines for contempt of court, and attending at the nomination of the High Sheriffs whose names are inscribed on a great roll of paper and presented to the Queen.

The Queen puts her bodkin through the top name on the list and he is appointed the High Sheriff, unless there's some reason why not, for a year. She is not obliged to put it through the top one but by convention she does. He's the High Sheriff for a year and then there's another one the next year.

These amiable duties are generally accompanied by speeches and pleasant luncheons, especially for the Trial of the Pyx which, despite its rather alarming name, simply has to do with the assaying each February by 76 goldsmiths of coins about to be circulated by the mint.

The coins are brought up in boxes called the Pyx and tested and then they deliver their verdict, which is a very long and complicated scientific document. I receive the verdict and make suitable comments, usually congratulatory because they normally get it right. "The Trial of the Pyx was already well established in 1281, when a warrant was issued for its continuation."

The office of Queen's (or King's) Remembrancer, Master Topley says, dates to 1066 and the arrival in England of William the Conqueror, who brought three Remembrancers with him. "They gradually became whittled down to one. They were essentially, I suppose, accountants in a rather grand way and they formed part of his exchequer. They followed him around, collected rents, performed the major business of the realm."

There was a Chancellor of the Exchequer, which we still have, and there were Barons of the Exchequer, and the three Remembrancers. They conducted the accounting between the great landowning barons and the Crown; they dealt with disputes, usually between the larger landowners and the monarch as to what was owed, and what was owed by the monarch to the various landowners."

The last vestigial twinge of the Remembrancer's original duties is the annual Quit Rents ceremony, at which City of London elders pay the Crown, as they have for more than 700 years, for land in Shropshire and a forge in London. No one knows where the land in Shropshire is and the forge is buried deep under Australia House.

Mr. Denyer keeps the horseshoes and nails in a leather briefcase in his office, along with huge metal files of Remembrancer's memories and, in a green plush bag, the green seal of the Chancellor of the Exchequer, green being the Exchequer color. The seal is nearly as big as a Flemish fighting horse's shoe.

Master Topley became the Queen's Remembrancer in 1990 because the Senior Master of the Supreme Court traditionally holds the post. It doesn't take much of his time, he says. It's an unpaid job and does not give him any particular precedence.

There must be somewhere a great list of where people sit but the Remembrancer is fairly low in the batting order. I mean I do get invited to these banquets in the City but I don't sit at the high table or anything like that. I'm sort of well down the order.

No one would argue that the ancient ceremonies celebrated by the Queen's Remembrancer have any particular relevance today except perhaps to suggest that, in the absence of being, they demonstrate that Britain has been.

I hope that nobody thinks that in the economics we seem to face all over the world this sort of thing should die out," the Queen's Remembrancer said. "I don't think there's any particular reason to think it will."

of time," the Queen's Remembrancer said, "but it's the theory I heard and the one I always promulgate."

The six horseshoes, big as soup plates, worn by Flemish fighting horses, and 61 nails have been exchanging hands for more than 550 years. "They're brought to me by the City through the back door and Mr. Denyer slips them back to the City so they're available for presentation the next year."

Mr. Denyer keeps the horseshoes and nails in a leather briefcase in his office, along with huge metal files of Remembrancer's memories and, in a green plush bag, the green seal of the Chancellor of the Exchequer, green being the Exchequer color. The seal is nearly as big as a Flemish fighting horse's shoe.

Master Topley became the Queen's Remembrancer in 1990 because the Senior Master of the Supreme Court traditionally holds the post. It doesn't take much of his time, he says. It's an unpaid job and does not give him any particular precedence.

There must be somewhere a great list of where people sit but the Remembrancer is fairly low in the batting order. I mean I do get invited to these banquets in the City but I don't sit at the high table or anything like that. I'm sort of well down the order.

No one would argue that the ancient ceremonies celebrated by the Queen's Remembrancer have any particular relevance today except perhaps to suggest that, in the absence of being, they demonstrate that Britain has been.

I hope that nobody thinks that in the economics we seem to face all over the world this sort of thing should die out," the Queen's Remembrancer said. "I don't think there's any particular reason to think it will."

The Latest Cliché Is a Tough Sell

By William Safire  
NEW YORK — When a Democratic Congress received a proposed annual budget from a Republican president, a hospital emergency-room term was invariably used to describe its reception: "Dead on Arrival," DOA for short. This year, with one party in control of both Congress and the White House, the famous phrase was the basis of a pun: "While the Clinton budget will not be Dead on Arrival," said John Kasich, ranking Republican on the House Budget Committee, "there's no question that it's Debt on Arrival."

The Clinton budget may not be 'Dead on Arrival,' but it will be 'Debt on Arrival.'

It's a tough sell, which can denote the hard sell delivered with tough love, has become the spring entry for cliché of the year. In Moscow in February, Richard Nixon told Serge Schmemmann of The New York Times that he had no illusions about persuading America already turning inward to reverse course and aid reformers in Russia: "It's a very tough sell."

At the end of the Vancouver summit in April, Strobe Talbott, ambassador at large, gave Gordon Peterson of WUSA-TV this assessment of the Clinton plan to invest in Russian democracy: "Of course, he has a tough sell. . . . But President Clinton knows he has a tough sell, and he's starting to make it."

The verb is debatable — do you make, do, face or undertake a tough sell? — but the noun phrase means "a difficult task of persuasion" and has a generally admirable connotation. Madison Avenue is its place of origin: describing a new Sunday newspaper for children in October 1980, one of its executives, Bruno L. Calbiando, noted, "The advertising has been a real tough sell."

In a few days, we will be inundated with thumbsuckers assessing the "first hundred days of the Clinton administration." For historical perspective, it should be noted here that the phrase did not begin in Franklin D. Roosevelt's time, though it was popularized at the time of the 1933 special session of Congress he called to combat the Depression.

"tough sell" if "Shogun" had flopped. In 1984, John Carman of The Atlanta Constitution observed that "a lawyerly series devoted to complex issues is a tough sell for TV viewers."

The phrase appeared in the political lexicon in 1987 as Bruce Babbitt, a former governor of Arizona (now interior secretary) carried his campaign for the Democratic nomination for president into New York, where he dared to suggest higher taxes: "I know New York is a tough sell," he said, and did not get its support; Senator Al Gore, who said he favored higher taxes on high-income Social Security recipients, fared better in his own tough sell.

We have witnessed the functional shift of the verb sell to the noun sell, which began in the 19th century and was popularized during the 1950s with hard sell and soft sell. The hard did not mean "difficult," but signified "loud, strident," as in much automobile advertising, extended to "rigorous, uncompromising, harsh," even bordering on "brutal, cruel," as if slamming the potential buyer against the wall. The soft sell, on the contrary, was "subtle, gentle," but often carried the connotation of being slightly deceptive; as Fred Fish, editor in chief of Merriam-Webster, reminds me, the verb to sell began with a sense of betrayal of trust.

IBM has had a difficult time lately, and I hate to pile on, but Jacques Barzun has just sent me its 1991 annual report. It suggests why the company may have had dark days in 1992.

The report writer wanted to say that IBM was making better products, which would allow it to compete successfully. But after the thought went into the word process, the headline in the report proudly read: "Competing With Better Products."

As Barzun notes, "The text does not say whose products are better than IBM's, very likely because that is not what the man who wrote the head thought he was saying."

INTERNATIONAL CLASSIFIED  
Appears on Page 3

WEATHER

Weather forecast section including maps of Europe, North America, Asia, and Oceania, with detailed temperature and precipitation data for various cities.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to the puzzle of April 23.

BOOKS

SHYLOCK: A Legend and Its Legacy. By John Gross. Illustrated. 386 pages. \$25. Simon & Schuster. Reviewed by Richard Gilman

offers and the crowded account of changing critical perspectives. Where Gross really has to rein himself in is with what we might call his enviroing materials, the huge complex of social, political and psychological facts that make up the history of anti-Semitism. He chooses shrewdly, keeping his gaze on Shylock as a focal point of a host of matters that obviously spread far past Shakespeare's creation.

WHAT THEY'RE READING  
Nafis Sadik, the Pakistani executive director of the United Nations Population Fund in New York, is reading Paul Kennedy's latest book, "Preparing for the 21st Century."

do any of his other characters. Could he really have been so biased? How could he not wish us to feel sympathy for this suffering creature of his?

Richard Gilman, a professor at the Yale School of Drama who is completing a study of Anton Chekhov's writing, wrote this for The New York Times.

AT&T advertisement: "Get your point across in no time." Includes AT&T logo, a globe, and a list of international access numbers for various countries like Austria, France, Italy, etc.